

***United States Court of Appeals
for the Second Circuit***



APPENDIX

77-6049

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
Docket No. 77-6049

County of Suffolk, County of Nassau,
Town of Islip, Town of Hempstead,
Town of North Hempstead, Town of
Oyster Bay, Town of Huntington,
and the Board of Trustees of the
Town of Huntington and Concerned
Citizens of Montauk, Inc.,

Appellees,

- against -

Secretary of the Interior, et al.,

Appellants,

National Ocean Industries Association,
et al.,

Intervenor-Appellants.

The Natural Resources Defense Council, Inc.,

Appellees,

- against -

Thomas S. Kleppe, Secretary of the Interior,

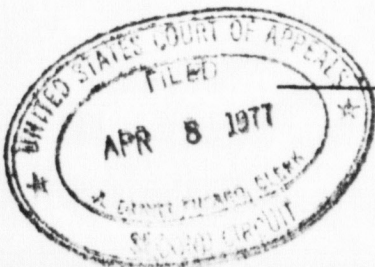
Appellant,

National Ocean Industries Association, et al.,

Intervenor-Appellants.

On Appeal from the United States District
Court for the Eastern District of New York

JOINT APPENDIX
(Volume IV 1938 - 2530)



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Eastern District of New York
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Secretary of Interior

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Frank Basile

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NEW YORK

1938

3 ----- x

4 COUNTY OF SUFFOLK, COUNTY OF NASSAU, :
5 TOWN OF ISLIP, TOWN OF HEMPSTEAD, TOWN :
6 OF NORTH HEMPSTEAD, TOWN OF OYSTER BAY, :
7 TOWN OF HUNTINGTON, and the BOARD OF :
8 TRUSTEES OF THE TOWN OF HUNTINGTON, :

9 Plaintiffs, :

10 -against- :

Civil Action
No. 75 C 208

11 SECRETARY OF THE INTERIOR and CURTIS J. :
12 BERKLUND, individually and as Director :
13 of the Bureau of Land Management, :

14 Defendants. :

15 ----- x

16 Continued deposition of FRANK BASILE,
17 taken by Plaintiffs, pursuant to notice, held at
18 the New York CCS Office of the Bureau of Land
19 Management, Six World Trade Center, Suite 600-D,
20 New York, New York, on Thursday, July 8, 1976, at
21 10:15 o'clock a.m., before George Abraham, a
22 Certified Shorthand Reporter and Notary Public
23 within and for the State of New York.

BEST COPY AVAILABLE

1939

1 A No.

2 Q Please turn to the May 3rd minutes.

3 A May 3: Myself, Judy Gresham, Elaine Gloch, Barbara
4 Karlen, Dan Patton and Diane Moss, as recorder.

5 Q Was there a discussion of the environmental statement
6 or Program Decision Option Document?

7 A "Judy reported that if everything goes well, the
8 Sale 40 should take place in mid-August. June 14th
9 will be the week of mock sale, and that it was
10 expected that Lionel from New Orleans and Lyle
11 McCauley from Denver would be coming to the office
12 as close to that sale as possible to assist us.

13 "At the mock sale, Frank will open the bids
14 and the entire sale procedure will be enacted so as
15 to insure that everything works correctly. As part
16 of the training for the sale, Judy will give a
17 presentation to explain what a sale is, and her staff
18 is preparing a pamphlet for staff members with instruc-
19 tions on how to code.

20 "Carl Pavetto will be coming up from Washington
21 to discuss the PDOD which should be completed in the
22 same week as the impact statement. Frank noted that
23 since there are very few options from which to make
choices, it should be relatively easy to have these

1 A I do not know.

2 Q Will you check, please?

1940

3 A Yes.

4 Q Will you please refer to the minutes of May 17, 1976.

5 A There were present myself, Judy Gresham, Barbara Karlen,
6 Dan Patton and Diane Moss, as recorder.

7 Q Was there a discussion of environmental statement or
8 Program Decision Option Document?

9 A ^{Lover}
"Warren is working on his input for the PDOD. A
10 discussion of stipulations ensued. State should be
11 informed of possible onshore impacts during the various
12 stages of exploration and development, and specific
13 states should be indicated as to the particular impact
14 their areas might receive.

15 ^{Gone}
"Jean Herron is developing stipulations which
16 may be incorporated into the OCS orders. We will submit
17 stipulations to Washington and they will decide between
18 which ones should be stipulations and which should be
19 orders.

20 "Frank said that stipulations will probably be
21 submitted with the designation that they may be made
22 orders at a later date.

23 "Dan reported on the progress of the stipulation
section on cultural resources. There is a plan under

25

1941

Basile

1 way to standardize this stipulation, and input is
2 expected from all the OCS offices. The draft sale
3 notice should be ready by June 1st, and the final
4 should be published in the Federal Register in the
5 second week of July, which is the latest date for
6 making changes in the stipulation for cultural
7 resources. If there is no agreement with them by the
8 second week in June, we should go back to the other
9 OCS offices for further revision and it will then be
10 incorporated in the EIS for Sale No. 42.

11 "Barabara told the group that she is preparing
12 a press release for the final environmental impact
13 statement and would welcome any comment on it this
14 week. A copy of the draft will be sent to Frank
15 Edwards for his approval and the final version will be
16 sent to a different set of people than those who are
17 sent notices by the Washington office.

18 "In response to a question exactly as to what
19 type of material will be sent out to the mailing list
20 maintained in this office, it was stated that the Bureau
21 releases will be issued as usual. The response to
22 Barbara's release versus the regular Bureau release
23 will be appraised at a later date and a determination
will be made about whether to continue the two-fold

1 Q VIMS?
2 A None.
3 Q Marine study plan?
4 A None.
5 Q Resource estimates?
6 A None.
7 Q Industry inputs?
8 A None.
9 Q Oil spill trajectory?
10 A None.
11 Q Risk analysis?
12 A No.
13 Q Would you please go to the minutes of June 7th.
14 A Present were myself, Elaine Gloch, Judy Gresham,
15 Barbara Kalen, Abby Miller, Diane Moss, as recorder.
16 Q Was there a discussion of environmental statement of
17 PDOD?
18 A "The EIS are going quickly. And the expectation is
19 that we will be down to about 100 copies by Tuesday.
20 Monday through Wednesday will be priority mail-out
21 days for the final environmental statement for No. 40,
22 and no xeroxing will be done by Jerry during that
23 period.

"Judy discussed plans for the mock sale which

1943

1 would take place Tuesday morning, June 15 starting
2 at 9 a.m. in the Secret Service Conference Room, 625.
3 Abby asked whether everyone will have assignments for
4 the mock sale and Judy said there will be assignments
5 for everyone with the exception of Arline and Jerry
6 who will stay in the office to answer telephone calls.
7 For the actual sale day we will need to have some staff
8 people remain in the office.

9 "It was noted that we had requested use of
10 625 for future use but Secret Service was unable to
11 promise it to us especially for the period August 16
12 to 18, as they might have to place some of their
13 overflow of new people in that room in the event
14 that some of the tenants who are supposed to vacate
15 their offices on the 6th floor are still occupying
16 the space needed by Secret Service.

17 "With reference to the visuals for Sale No. 40,
18 there is approximately in excess of 300 sets and they
19 will be sold at the unit price of \$5, and orders will
20 be handled through Jean Upshaw.

21 "A meeting with the Corps of Engineers was
22 scheduled to take place in the afternoon to discuss
23 the timing of requests, etc., permanent applications
which they could expect to result in the potential

1 issuance of a sale notice and successful holding of
2 a sale".

3 Q There is reference to reserving space for an actual
4 sale between August 16 and August 18, is that correct?

5 A "Noted we had requested use of 625 for future use but
6 Secret Service was unable to promise it to us,
7 especially for the period of August 16th to 18th."

8 Q Did somebody from your office or Washington, if you
9 know, ask Secret Service whether or not their space
10 would be available for the conduct of an actual sale
11 during the period August 16 to August 18?

12 A No one from this office asked Secret Service if their
13 space would be available for the conduct of an actual
14 sale. We had previously mentioned that the anticipated
15 sale date was sometime in mid-August, based upon the
16 procedures. Because of historical precedent, that
17 method would be based upon procedures and we had to go
18 through either the 17th or the 24th of August.

19 We had requested, because we have a requirement
20 for additional people to come in and work if we have a
21 sale and we obviously don't have very much space here,
22 we need additional room.

23 Q Who contacted the Secret Service with respect to the
availability of their space during the period August 16th

1945

1 to 18th?

2 A My administrative officer.

3 Q Who is that?

4 A Elaine Gloch.

5 Q With whom did she speak in the Secret Service?

6 A I have no idea.

7 Q When did Elaine Gloch speak to somebody at Secret
8 Service with regard to the availability of their
9 space during the period August 16 to 18 for an actual
10 sale?

11 A Again, I didn't say anything about an actual sale.
12 We were talking about planning dates still, at that time.

13 MR. LIKE: I will withdraw that question
14 and will ask the question in another way.

15 Q Did Elaine Gloch have a conversation with somebody at
16 Secret Service with respect to the availability of
17 Secret Service space?

18 A I asked her to request from Secret Service space and
19 get an indication from them when it might be available.
20 The planning dates at that time were the 16th to 18th
21 and the 23rd through the 25th.

22 Q Did you tell her to ask them whether there would be
23 space available for dates August 16th through 18th and
August 23 through 24?

1946

- 1 A That was done within a time period we had considered.
- 2 Q When did you tell her this?
- 3 A Sometime prior to June 7.
- 4 Q Prior to June 7, 1976?
- 5 A Yes.
- 6 Q How long prior to June 7, 1976 did you ask her to make
- 7 that inquiry?
- 8 A I have no recollection of that.
- 9 Q Did you have a conversation with anybody in Washington
- 10 with respect to arranging for space?
- 11 A No, I didn't.
- 12 Q During those dates?
- 13 A No, I did not.
- 14 Q Where did you get those dates of August 16th through
- 15 the 18th?
- 16 A Based upon the procedures.
- 17 Q Tell me now what procedure gave you the calculation --
- 18 A The procedures at the Bureau --
- 19 Q Let me finish my question.
- 20 Tell me how you calculated that the period
- 21 August 16th through 18th, or August 23 through 24,
- 22 were the dates that you should reserve space for?
- 23 A The final statement was filed on May 26th, 1976.
- Q We are talking now about a date prior to June 7? Right?

1 A I am talking about May 26th, which is prior to June 7.
2 The statement was filed on May 26th. It has to be on
3 file a minimum of 20 days, which would put it to June
4 26th. There is generally a period of some two weeks
5 between the actual time that the Secretary can make
6 a decision and when he ^{makes an} can announce. That puts it
7 some time in the middle of July for the issuance of
8 the sale notice. That means that sometime in mid-July, ^{August}
9 either because of the history of the program sales
10 being always held on a Tuesday, it is down to two
11 Tuesdays in August; that would be August 17 and
12 August 24. On sheer speculation because we have a
13 severe lack of space, we had to inquire as to whether
14 we could get that space. Since ^{if} we couldn't get that
15 space we also looked to see if we could get space
16 from the Port Authority.

17 Q As of June 7, 1976, had the Secretary made a decision
18- to hold the sale?

19 A I have no knowledge of that. To my knowledge he did not.

20 Q To your knowledge he did not?

21 A He did not.

22 Q You testified earlier that your office prepared a draft
23 notice of sale. Do you recall when that draft notice
of sale was prepared?

1948

1 A I don't remember the specific date.

2 Q Was it prepared before June 7?

3 A "This draft sale notice shall be ready by June 1"

4 Q Does that indicate that the draft notice of sale was
5 in preparation before June 1?

6 A Yes, it does. If it is true --

7 Q If what is true?

8 A If it is true it was in preparation before June 1.
9 All that it indicates is that on the assumption or
10 the possibility that the Secretary may decide to
11 hold a sale, these things are required. There are a
12 number of detailed legal requirements that require a
13 considerable amount of review time. It doesn't presume
14 that the Secretary is making a decision.

15 Q Do you recall whether in fact a draft notice of sale
16 was prepared before June 1 and, in fact, sent to
17 Washington, D. C. by your office before June 1?

18 A I don't know.

19 Q Did you ever see a draft notice of sale prepared in
20 this office?

21 A I don't remember.

22 Q Do you recall that you yourself sent a draft notice
23 of sale to the Assistant Director of Mineral Manage-
ment on May 28th?

1949

1 A I don't recall it but that doesn't mean that I didn't
2 do it.

3 Q Do you have a file in which that draft notice of sale
4 would be located?

5 A Do I have a file?

6 Q Is there a file in this office which would contain
7 the draft notice of sale if in fact one was prepared?

8 A There should be a file in this office that includes it.

9 Q I will tell you now that the law students --

10 MR. HYMAN: Don't tell us anything.

11 MR. LIKE: We don't have it. The law students
12 have indicated that there was in the file a draft
13 notice of sale sent to the Assistant Director of
14 Minerals Management from the manager of the New York
15 OCS office on May 28th.

16 Q I will just ask you to verify that.

17 A Okay. If it is in the file, all right.

18 Q Do you recall whether the notice of sale contained a
19 date for the sale?

20 A No, I don't.

21 Q Do you know what file it would be in?

22 A No, I don't.

23 MR. LIKE: We will take a recess.

(Recess was taken.)

1 (The deposition reconvened at 9:10 o'clock p.m.)

2 BY MR. LIKE: (Continued)

3 Q With regard to the minutes of June 7, was there any
4 discussion of RFP's?

5 A No.

6 Q VIMS contract?

7 A No.

8 Q Resource estimates?

9 A No.

10 Q Industry inputs?

11 A No.

12 Q Oil spill trajectory?

13 A No.

14 Q Risk analysis?

15 A No.

16 Q Baseline studies?

17 A No.

18 Q Marine study?

19 A No. In May we received a planning schedule for
20 the proposed OCS lease Sale No. 40. "Enclosed is a
21 list of your proposed planning dates for the preparation
22 of the PDOD and notice of sale for propose Lease Sale
23 No. 40, etc."

The final paragraph, "The above dates represent

1951

1 the latest time each component must be complete if
2 galleys are to be read and corrected and the
3 8-24-76 sale date is to be met."

4 It gives the proposed sale date at that time
5 as 8-24-76.

6 "Draft PDOD complete May 25, 1976; draft
7 notice of sale from field office to Washington office,
8 June 1, 1976. Provide copies of the draft notice
9 of sale to GS, Fish and Wildlife Service, National
10 Park Service, Assistant Secretary for Land and Water
11 Resource, Assistant Secretary Program Development
12 Budget, Solicitor, etc.

13 "June 7, 1976, brief Assistant Secretary
14 on PDOD options by June 11, 1976. Earliest legal
15 decision date 30 days after FEIS publication, June
16 25, 1976. Final PDOD to Department, June 18, 1976.

17 "Tentative secretarial decision on option for
18 sale notice final decision is made when sale notice
19 is signed. This is necessary in order to complete
20 the preparation of sale notice for the selected option
21 and include all steps outlined below June 28, 1976.
22 The input to notice on selected option from all offices
23 must be submitted to BLM by July 2, 1976. (Geological
Survey, Fish and Wildlife Service, National Park

1952

1 (Continuing) Pursuant to Exhibit 21 so marked and
2 instruction included therein relating to the planning
3 dates and possible exploration stipulation for proposed
4 Lease Sale No. 40 which identifies a target date of
5 having the draft notice of sale from the field office
6 to Washington on June 1, 1976, we transmitted it on
7 May 28th.

8 MR. LIKE: I would like to also mark for
9 Identification another document which was found in
10 the files here appearing to be a teletype and containing
11 a memorandum or what appears to be the text of a memo-
12 randum dated September 18, 1974, to Director, Geologi-
13 cal Survey, to Assistant Secretary, Energy and Minerals,
14 from Jared G. Carter, Deputy Undersecretary; Subject:
15 OCS Leasing Schedule, which reads as follows:

16 "Prior to the meeting of the OCS Research
17 Management Advisory Board on October 3 and 4, the
18 Undersecretary wants a firm leasing schedule laid out
19 that definitely includes the following items:

- 20 1. 10 million acres leased in 1975 - not
21 just 10 million acres offered.
- 22 2. A sale in 1975 in both Alaska and the
23 Atlantic.
3. An alternative if No. 2 fails which

1953

1 will still allow leasing of 10 million acres.

2 On the same time schedule the Undersecretary
3 wants a plan for a lease sale on the Atlantic in 1975
4 that would include some leases in all of the promising
5 areas of the Atlantic rather than just the sale
6 limited to Baltimore Canyon.

7 It is the responsibility of BLM to complete
8 their response to the Undersecretary by no later
9 than C.O.D. on September 30th; cc Undersecretary
10 Whitaker, Darius Gaskins, Fred Ferguson, Frank
11 Clarke.

12 (The above described document was marked
13 Plaintiff's Exhibit 24 for Identification.)

14 Q Mr. Basile, were you aware of the existence of that
15 memorandum before my reading it to you now?

16 A I heard that memorandum read.

17 Q By whom?

18 A By Guy Martin, who was a member at that time, and
19 I don't remember the exact time, but who was the
20 representative of the State of Alaska on the OCS,
21 what used to be the OCS Steering Committee in
22 Washington.

23 MR. HYMAN: You didn't read the whole memorandum
did you?

1954

1 MR. LIKE: Of course not.

2 MR. HYMAN: I want to read the whole memorandum
3 at this point, if I may.

4 MR. LIKE: I marked it for Identification.

5 MR. HYMAN: You did.

6 MR. LIKE: Read the whole memorandum, I don't
7 care.

8 MR. PICCIANO: It is marked.

9 MR. HYMAN: He read his part to the witness
10 and I want the witness to read the whole memorandum
11 from here out loud so it refreshes his recollection,
12 including this part that "no decisions have been made
13 to the frontier and there is nothing firm on these
14 points".

15 MR. LIKE: Before he does that, let him
16 finish where he heard it read.

17 MR. HYMAN: You heard the whole thing read?

18 THE WITNESS: No. The only thing I heard read
19 was the part that Mr. Like read.

20 MR. LIKE: Let him answer the question and
21 then if you want to have him put the rest of it in,
22 I have no objection to that.

23 MR. HYMAN: You remember that somebody read
just a portion?

1955

1 THE WITNESS: I remember Guy Martin was the
2 guy, this was just his thing of reading the memos
3 he supposedly wasn't supposed to have.

4 MR. HYMAN: Don't answer the question. I want
5 you to read the whole memorandum.

6 MR. LIKE: Off the record, please.

7 (Discussion held off the record.)

8 MR. LIKE: On the record, please.

9 A I heard this memo read once before by Guy Martin,
10 who is the representative from the State of Alaska
11 to the OCS Advisory Committee.

12 Q When did you hear it read?

13 A It was in a meeting of the OCS Advisory Committee.
14 I don't remember when. It was obviously --

15 MR. HYMAN: Do you know about what year?

16 THE WITNESS: It was a while ago.

17 Q Was it in 1974?

18 A I really don't remember. It was obviously some time
19 after the memo itself was written since he did read it.

20 Q Do you recall what he read aloud was substantially
21 the same or identical to what you have in the exhibit
22 before you and what was read aloud into the record?

23 A I don't remember if it was exactly what you read aloud,
but it was similar.

1956

1 Q Was it substantially similar?

2 A Again, I don't have a photographic memory.

3 Q Was it substantially similar to what you heard?

4 A It is essentially what I heard him read.

5 MR. HYMAN: Did this come out of your
6 files?

7 MR. PICCIANO: Yes.

8 MR. HYMAN: Do you know what file it came out
9 of?

10 MR. JENSEN: Do you know if such a memo exists
11 in fact, of your own knowledge?

12 THE WITNESS: Again, other than the fact that
13 I heard it read, I have never seen that memo, to my
14 knowledge.

15 MR. HYMAN: Did you ever act under this
16 memorandum?

17 THE WITNESS: No.

18 Q Did Mr. Martin state where he had obtained the memo-
19 randum?

20 A No, he did not.

21 Q Or how he had obtained it?

22 A No, he did not. He just said, "I have here a memoran-
23 dum that I will read to you."

Q Had you ever heard anybody from the Interior Department

1957

1 state that this memorandum was not authentic?

2 MR. HYMAN: Did you have any discussions with
3 anyone about it?

4 THE WITNESS: I never had any discussions with
5 anyone about it.

6 Q You have no independent knowledge of whether it is
7 authentic or not authentic?

8 A No, I don't.

9 MR. HYMAN: Do you know what file it came out of?
10 There is no indication of where you got it?

11 MR. PICCIANO: Off the record, please.

12 (Discussion held off the record.)

13 MR. HYMAN: There is a notation "Teletype after
14 Carter memo is not part of the memo".

15 MR. JENSEN: Neither is the black underlining
16 on the lower portion of the first memo.

17 MR. HYMAN: Read the rest of it.

18 A "For response to queries about Washington Post article
19 by George Wilson concerning Jared Carter memo to BLM
20 and the Geological Survey (9-18-74), Mr. Carter's
21 memorandum is simply a request for recommendation
22 containing the best thinking of officials of the two
23 bureaus concerned for the purpose of planning. It
emphatically does not commit the Department of the

1 Interior to a definite course of action. For purposes
2 of background it is important to note that the
3 Department has been publicly committed for many months
4 to the idea of leasing 10 million acres of outer
5 continental shelf lands during 1975 and to the idea
6 of leasing areas on the Atlantic and Gulf of Alaska,
7 if and when it becomes feasible. But there has been
8 no decision made as to what frontier "new" areas
9 should be offered for leasing during 1975. Interior
10 is in the process of making that decision. The memo
11 from Mr. Carter is a part of that process. Under-
12 secretary Whitaker has not made a decision on these
13 points. Even after such a decision, the following
14 steps are required by law, the National Environmental
15 Policy Act of 1969:

16 1. Interior must evaluate the environmental
17 impacts of each proposed lease sale area in detail.

18 2. It must publish its finding in a draft
19 environmental impact statement to be filed with the
20 Council on Environmental Quality, announced and distri-
21 buted publicly for scrutiny and analysis.

22 3. It will or will not specifically require
23 by the National Environmental Policy Act to do so
hold public hearings on each draft environmental impact

1 statement.

2 4. It then must analyze all oral and written
3 comments submitted and write a final environmental
4 impact statement which also must be filed with CEQ
5 with copies made available to the public.

6 5. It then must wait at least 30 days before
7 making a firm final decision to offer for sale the
8 area under study or any part of the area. The announce-
9 ment must be made publicly and published in the Federal
10 Register.

11 6. At least 30 more days must elapse before
12 the sale is held.

13 7. And finally, the industry is not required
14 to bid on any of the leases offered and the government
15 is not required to accept any of the bids.

16 In addition to the steps listed above, the
17 Department will make no decision to conduct leasing
18 on the Atlantic OCS until the state-federal jurisdic-
19 tional dispute is resolved with respect to federal
20 leasing. The Special Master has submitted his recommen-
21 dations to the Supreme Court. However, the Court
22 has not yet taken final action in the case. Even
23 after an area is placed under lease, the government
does not lose control over it. Detailed plans for

1960

1 development must be approved by the Geological Survey
2 before any development can commence and Geological
3 Survey supervisors and inspectors monitor every phase
4 of development. They are empowered to shut down
5 operations on any lease at any time and they have done
6 so on a number of occasions when public safety and
7 public resources were in their judgment in jeopardy.

8 Further, the Secretary of the Interior
9 can halt development indefinitely in a leased area,
10 as the Secretary of the Interior did in Santa
11 Barbara after the 1969 blowout there. Some of these
12 leases are still blocked to development".

13 MR. HYMAN: We still don't accept that that
14 came out of our files unless you tell me what file
15 that came out of. I don't doubt your word, but I would
16 like to know that it is here. Will you let one of
17 your law students let us know?

18 MR. PICCIANO: Yes.

19 Q Do you want to turn now to the June 28th minutes?

20 A There were present myself, Judy Gresham, Elaine Gloch,
21 Barbara Karlen, Dan Patton and Diane Moss was recorder.

22 Q Was there a discussion of the environmental statement
23 or PDOD?

A "Judy gave a report of the discussions about the

1961

1 gical Survey. In many instances BLM got caught in the
2 middle.

3 The stipulations are part of the sale notice.
4 The slumping bottom one was on the basis of information
5 that Geological Survey had just received.

6 Q Do you know when the Secretary made his decision
7 to conduct this lease Sale 40?

8 A Yes, I do.

9 Q When did he make it?

10 A June 28th, 1976.

11 Q How did you get that information?

12 A I received a phone call from Frank Edward who told me
13 at that time that the Secretary had decided in
14 principle to hold an Atlantic sale but had not decided
15 on a date at that time.

16 Q And the phone call came to you on June 28th?

17 A On June 28 in the afternoon.

18 Q Do you know when the Secretary decided on the August
19 17, 1976 date?

20 A I really don't know. It was some time after the 28th.

21 Q There is also found in your file a copy of the letter
22 from the Federal Trade Commission, dated March 8th,
23 1976, to you with the file number in the upper right-
hand corner of 3301.5. I show you the letter and ask

1962

- 1 you whether you remember seeing it?
- 2 A I remember we had received a copy of it. I personally
- 3 didn't read it.
- 4 Q You never read it?
- 5 A No.
- 6 Q Is this the first time you are reading it?
- 7 A I am not reading it now.
- 8 Q You have not read it. Up to date you have not read it?
- 9 A I have not read it up to date.
- 10 Q Do you know if any member of your staff read it?
- 11 A No, I do not.
- 12 Q How did it come to your attention that the letter had
- 13 been received?
- 14 A I remember that it came in one morning. My secretary
- 15 said that there had been a letter received from the
- 16 Federal Trade Commission. I gave it to Abby Miller
- 17 assuming that it was a comment, a late comment on the
- 18 draft statement or the final statement. She came back
- 19 later and said that it had something to do with the
- 20 lawsuit and my only disposition of it was, as I remem-
- 21 ber, to make a copy of it, send the original to
- 22 Washington to the Solicitor and we hold it on file.
- 23 Q Your secretary brought it to you, you saw it, but you
- didn't read it, is that correct?

1 A No, I did not.

2 Q Did you give it to Abby Miller the same day?

3 A Yes, I did.

4 Q Did she report back to you later that she had read it?

5 A She didn't say whether she had read it or not other
6 than to ascertain that it had something to do with the
7 lawsuit.

8 Q She returned the letter to you?

9 A At that time I told her to make a copy of it and send
10 the original to Washington.

11 Q Do you know whether the original was sent to Washington?

12 A No, I do not.

13 Q Is there a transmittal letter in your file or in
14 the files in this office indicating that this document
15 was sent to Washington?

16 A I do not know.

17 Q As of this moment you do not know whether this letter
18 or a copy of it was sent to Washington, D. C. ?

19 A No, I do not.

20 Q Did you ever receive any communication from anybody
21 in Washington, D. C. concerning this letter?

22 A Not that I remember.

23 Q Do you know whether Abby Miller or any other member of
your staff received such a communication?

APPEARANCES:

1964

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For the TOWN OF HEMPSTEAD:

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State University of New York
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BY: CYRIL HYMAN,
J. CHRISTOPHER JENSEN,
MARILYN CO,
Assistant United States Attorneys.

1965

1 There were also some questions you had as
2 to our contact with National Marine Fishery Service and
3 information supplied from their computer banks.

4 The box is in front of my desk.

5 MR. HYMAN: The witness is pointing to two
6 big cardboard boxes. The information we received from
7 the National Marine Fishery Service that directly
8 relates to the Mid-Atlantic. There are two other
9 boxes of more general reports that were surveyed by
10 the staff as background and may warrant your inspection.
11 There is in there a copy of the computer print-out
12 from the only active data base bank that the National
13 Marine Fishery Service has operable up to this time.

14 THE WITNESS: I would just like to read
15 you a run-down of this.

16 Contact with the ⁴⁴ National Marine Fishery Service.
17 Statistics landings -- this is the computer read-out.
18 First contact with . Frank Reilly, chief statistician
19 of the Division of Statistics and Market News, North-
20 east Regional Office, Gloucester, Massachusetts.

21 Visited him in October and November, 1974.
22 Told him we desired current landings data, pound and
23 value, cash by waters, names and location of fishing
units, cooperatives, associations, dealers and

1966

1 wholesalers. He told me that all of their data was
2 unavailable other than that already published, and
3 even if it was we would have to pay for it to get it,
4 he didn't tell me who, when, where, why. The data was
5 available and ^{in that} then I saw copies in the library at
6 Gloucester the day before. Anyway, I followed through
7 with a memo to Mr. Reilly and never heard back from
8 him. He never told me where this data was available
9 and who I could go to see to get it.

10 I pursued it further and ended up with
11 Statistics and Market News in Washington, D.C., Page
12 2 Building, Whitehaven Avenue, a couple of months
13 later. Contacts there include Mrs. Thelma Bell, Mr.
14 Don Fitzgibbon, Mr. Leslie Robinson. Through them
15 we were able to get a mailing list for publications
16 and computer print-outs. All that was available and
17 the format useful to us and most up to date which in
18 their data base is 1973. For earlier publications we
19 went to Sandy Hook, New Jersey library. They are
20 also there. I have been in contact with them since
21 early 1975. (Fishery Economics: contacts, John
22 Rittgers, Mueller, Gloucester, Massachusetts. I met
23 with them in November, 1974 and got information that
was available. I called them several times to get

1 additional information. They are still developing
2 this part of their program. The only information they
3 had was vessel categories, earnings, et cetera.

4 Marine resource data including ICNAF, International
5 Conference on Northwestern Atlantic Fisheries,
6 contacts, Mr. Bill Gordon, Gloucester; Dr. Brad Brown,
7 Woods Hole; Dr. Marvin Grosslein, Woods Hole; Dr.
8 Richard Hennemuth, Dr. Arthur Mexrill, Sandy Hook.

9 Primary contact for distribution of
10 resource data and current field programs: primarily,
11 MARAR, Have been in contact with t' u since October,
12 November, 1974. MARMAR program, which is the primary
13 current resource program, has several problems. A lot
14 of confusion as to what data is available and what
15 form it is in. There are a lot of unworked samples and
16 raw data, National Marine Fishery Service to be able
17 to attest to that, which does not help us at all.

18 There is also an organizational hassle within NMFS
19 which makes it difficult for us to get data. The data
20 base for the Mid-Atlantic was to be transferred and
21 taken over by the Mid-Atlantic Coastal Fisheries
22 Center but it never came about due to lack of funds.

23 The proposals into BLM now are to develop
this data base and work up samples pertaining to this

1968

1 area. Data that has been generated for this area
2 have been used in case of fisheries, publications are
3 very specific to certain species and result from two
4 to four trawls for long-term assessment purposes; this
5 data does not mean much. If all their samples and raw
6 data were worked up it could mean something. Data
7 that has been generated have been summarized in
8 documents as TRIGOM and URI.

9
10 Benthic data: primary contact has been
11 Jack Pierce at Sandy Hook, who was the principal
12 investigator in the area. All the data worked up by
13 his group was given to us and used in the EIS. Again,
14 a lot of samples taken in the Mid-Atlantic area have
15 not been worked up, both Baltimore trough and canyon
16 to be worked up.

17 MR. HYMAN: When you say "worked up", you
18 mean worked up by them?

19 THE WITNESS: Yes, subject to payment by us,
20 what Mr. Trusdale referred to in your reference.

21 Plankton data: contacts, Dr. Marvin
22 Grosslein, Woods Hole; Dr. Robert Marak, Narragansett.
23 Current data plankton is from samples taken from MARMAP
program. Most of the samples still need to be sorted
and lots of raw data needs to be worked up and into

1969

1 know whether or not there has been any estimate of
2 loss to the government in the event the proposed
3 sale was delayed pending completion of various
4 status of various data base line gathering analysis?

5 A Not to my knowledge.

6 Q Page 20, please. The last sentence of page 20. "How-
7 ever, the risk of environmental damage due to spills
8 in the entire Sale area is so low that withdrawal
9 of tracts to reduce the potential for oil spill
10 risk offers very little additional environmental
11 protection."

12 Do you see that sentence?

13 A Yes.

14 Q Has your office received from Washington, or have
15 you developed in your office any written standard
16 for judging at what magnitude of environmental damage
17 due to spills you would regard there as being
18 justification for withdrawal of tracts from the sale
19 area?

20 A No written guideline, no.

21 Q In connection with your office's design of the
22 marine environmental study plan for the Mid-Atlantic
23 are which you have testified earlier is 75 percent
complete, have you received any input from the OCS

1970

1 research advisory board?

2 A I have no knowledge of that at this time.

3 Q Have you or any member of your staff attended
4 the meetings of the OCS research advisory board?

5 MR. HYMAN: When?

6 Q Since its establishment.

7 A I attended two earlier meetings. I have not attended
8 it, to the best of my recollection, for at least
9 a year. Members of my staff involved in the
10 studies program have periodically attended.

11 Q Which members of your staff have attended the meetings
12 of the OCS research advisory board?

13 A The only ones that I know that definitely have at-
14 tended meetings of that board are Jean Schneider, who
15 is no longer here, Eiji Imamura and Ken Berger.

16 Q Do you know whether or not the meetings they attended
17 discussed the design of marine environmental
18 study programs for either the George's Bank or the
19 Mid-Atlantic Shelf area?

20 A Not the ones that they have attended. I don't
21 recall any time that we attended them together.

22 Q Do you know whether or not there were meetings of
23 the OCS research advisory board which took up the
question of designing marine environmental studies

1971

1 than on one occasion. Concerning this decisions, I
2 did not speak to him, he did not speak to me.

3 Q You don't know whether they balanced the non-
4 renewable resource against the renewable resources?

5 A No.

6 Q I'm going to repeat the question I asked you earlier
7 in the context of these foundation questions.

8 Do you have in your office a written
9 standard setting forth whether, and if so, how, the
10 non-renewable oil resources of the Baltimore Canyon
11 are going to be balanced against the renewable
12 living marine resources of the Baltimore Canyon in
13 connection with a decision to lease?

14 A I'm not aware of any written standard of that kind.
15 On the other hand, it is not my function to balance
16 those factors and it is not my function to decide
17 whether or not we lease.

18 Q Do you know whether or not then it is the secretary's
19 function to balance those factions?

20 A I have no idea what his functions are.

21 Q As part of the marine environmental study program,
22 which is under preparation by your office and which
23 you say is 75 percent complete, is there any plan,
Mr. Basile, to gather information on the physical

1972

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

THE STATE OF NEW YORK and THE NATURAL
RESOURCES DEFENSE COUNCIL, INC., et al.,

Plaintiffs,

vs.

THOMAS S. KLEPPE, Secretary of the
Interior, et al.,

Defendants.

76 CIV 1229 (JRW)

Deposition of KENT FRIZZELL

WASHINGTON, D. C.

THURSDAY, JULY 22, 1976

~~1973~~ 1973

9

1 Q And your calendar does not contain any such notation
2 such a meeting was scheduled on September 26?

3 A That is correct.

4 Q When did you leave the department on September 26?

5 A I do not know.

6 I would assume that I left it in advance of my 7:30 p.m.
7 dinner engagement that night.

8 Q Do you recall whether you took with you on September
9 26 when you left the building at 18th and C Streets the pro-
10 gram decision-option document or the memorandum of September
11 26, 1975, Plaintiff's Exhibit No. 12 for identification?

12 A I took those items plus several others to review over
13 the weekend in advance of the new week commencing on the 29th.

14 Q Do you recall what items you took, specifically, over
15 the weekend?

16 A My recollection is that I took the package of materials
17 that was delivered to me on the 26th of September which would
18 have included the memorandum of September 26, from Assistant
19 Secretary for Program Development and Budget, Roy Hughes, on
20 the subject of program decision-option document on proposed pro-
21 gram to accelerate leasing on the Outer Continental Shelf.

22 Q That is Plaintiff's Exhibit No. 12 for identification?

23 A That is correct and the attachments thereto in addition
24 to his memo.

25 His memo is a five-page written memo which summarizes the

background including insecure and expensive oil imports, all environmental impacts, including marine organisms, wetlands and beaches, air quality deterioration, interference with commercial fishing ---

1974

Q Would you look at Plaintiff's Exhibit No. 12 for identification and take a moment to compare it with the document you say was in the package, tell me if what you had was the same September 26, 1975 memorandum which is marked No. 12 for identification?

A That was part of the package but not all, but this was included.

Q So, Plaintiff's Exhibit No. 12 for identification was one of the documents included in the package?

A Yes.

Q Can you tell us what additional items were included in the package?

A Yes, attached thereto or in addition to that exhibit, No. 10 was the actual full-length programmatic program decision-option document on the OCS accelerated leasing program prepared by the Office of the Outer Continental Shelf, program coordination, dated September 1975.

Q May I see that document?

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A You may.

There was also an exhibit attached thereto entitled Table No. 3, estimates of average annual oil spill volumes based on

throughputs spill rates over the life of the field.

MR. HYMAN: While the reporter is waiting, please note the two gentlemen who came in after the deposition started.

MR. FIAMMA: Stephen Fiamma.

MR. CONNORS: John Connors.

MR. HYMAN: Identify yourself for the record.

MR. FIAMMA: We are law interns in the Nassau Attorney's Office.

THE WITNESS: May I continue?

BY MR. LIKE:

Q You identified Table No. 3, consisting of how many pages?

A The table itself is one page and, then, there is a three-page explanation of Table No. 3 attached thereto.

Q May I see it, please?

Before you continue, Mr. Frizzell, I note that the Table No. 3, which you have given me, bears a notation in the right-hand corner which reads, "No. 9, Identification No. 7/14/76."

Are you aware that that is an identification number of an exhibit marked in this proceeding?

A No, I was not aware of that.

Q Is the document which is in your possession now marked Table No. 3, the document which you had in your package or a copy of the document which you had in your package?

A Which I have, or had ---

1976

A No, sir.

Q Is your answer the same with respect to option 3?

A That would be generally true.

Actually there were four options on the decision document -- other -- the first three that are listed plus any other.

Q And your answer would be the same with respect to any other?

A Yes.

Q You took this package home with you on the 26th which was a Friday, is that right?

A Definitely yes to your question, but I want to say there may have been materials in addition thereto.

Q Do you recall any such additional materials at the present time?

A No, but I am confident that considering my duties at that time that there were other pressing issues other than a decision meeting on accelerated OCS proposal coming up on Monday that would have necessitated me taking home other materials unrelated to this issue.

Q Do you recall, in fact, you did take home other materials unrelated to this issue?

A I do not recall in fact, but I am confident that such, in fact, occurred.

Q Do you recall what other pressing issues engaged

1977

47

1 Q You don't recall the arguments that were either made
2 on September 29 or that you had heard about before September
3 29 as to the issue of separating exploration and production?

4 A No. You see, as Solicitor many of the policy issues,
5 of which this would be one, were not within my province. That
6 was the program people including the Secretary, the Under
7 Secretary, the Assistant Secretaries in the particular program
8 areas. I naturally get subjected to some of that by attending
9 meetings, but sitting around the secretarial luncheon room,
10 the secretarial breakfast, but as Solicitor I don't sit down
11 and mull over, get a memorandum from the Solicitor's staff.
12 We are involved only when legal issues affecting a policy issue
13 emerge.

14 Q On September 29, 1975 would you say that you had only
15 a slight familiarity with the pros and cons of separating
16 exploration and production?

17 A I had the familiarity of that written material that
18 was presented to me on the 26th of September plus a general
19 knowledge of the issues acquired theretofore as a result of
20 being around the Department for three years.

21 Q I would like you to characterize what you mean by a
22 "general knowledge" of that issue acquired by being Solicitor
23 and being around the Department. What did you know about the
24 issue on September 29, 1975?

25 A I knew that there were proponents of separating

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1 exploration from development.

2 Q Did you know what the arguments were that were
3 advanced by the proponents who favored separating exploration
4 and production?

5 A Not in any specific detail.

6 Q Did you know what the arguments were generall speak-
7 ing?

8 A No, other than the issue existed. Of course, as I
9 say, the memorandum given to me has that issue discussed on
10 September 26 and it was discussed verbally at the 29th meeting.

11 Q Were you familiar with the views of the Council on
12 Environmental Quality on or prior to September 29, 1975 con-
13 cerning the issue of separation of exploration from production?

14 A Did they not comment in the EIS on the EIS? I
15 think they did and I think their comments went to that issue.
16 I don't recall specifically.

17 Q Do you recall reading the comments of the CEQ on that
18 issue before September 29, 1975?

19 A I would have to refresh my recollection and see their
20 comments.

21 Q You are now looking at Exhibit 2 for identification in
22 order to refresh your recollection as to whether or not com-
23 ments were made on the subject of separating exploration and
24 production.

25 MR. HYMAN: Only for the CEQ. Please feel free to

Not because I was involved in the policy program end of it, but because I was at that time the second-ranking official in the Department as Solicitor and I was invited to the dinner.

sat next to the Lieutenant Governor of Massachusetts, whose father's name is O'Neill, who is well known, but no one at that social gathering mentioned separation and development.

It was a very casual knowledge of the issue.

Q Was Mr. McKelvey or a representative of the Geological Survey also present on September 29, 1975?

A To the best of my recollection, yes.

Q Would you please look at the attachment to Mr. McKelvey's memo, dated September 24, 1975, containing his comments on the decision memorandum for proposed acceleration?

A Give me some help. I see his cover letter and four pages attached. Do you want me to look at the whole thing or specifically one area?

Q Let's start with the first page over the comments.

Was there a discussion at the meeting of September 29 of the comments presented by Mr. McKelvey?

A What I am looking at one page 1 of the attachment, do you mean?

Q Yes, sir, the first page of comments.

A To the best of my recollection I don't recall comments on items 1 and 2 on that page being verbally discussed at the September 29th meeting. They may well have been or his

1 did not ---

75
1980

2 BY MR. LIKE:

3 Q Did you read the attachments or just the summary by
4 Turcott?

5 A I can't say I read each of the attachments but I
6 read through them, if you know what I mean. I did not just
7 read Turcott's summary.

8 Q Is peruse a better word?

9 A I individually leafed and read portions of the attach-
10 ments. But I can't say that I read the introductory clauses
11 that were nonsubstantive.

12 I will tell you this ---

13 MR. HYMAN: Do you mean that is part of ---

14 THE WITNESS: This is part of this.

15 MR. HYMAN: Give it by exhibit numbers.

16 THE WITNESS: We have now been talking about Frizzell
17 Exhibit 2 but part of the package delivered to me on September
18 26 was an additional summary by George Turcott marked Frizzell
19 Exhibit 3 which are those comments of the State of Massachusetts.
20 That, I also had.

21 I must in all candor tell you -- they were there in
22 my office, I had examined them before particularly with regard
23 to legal issues involved, but that weekend, rather than lugging
24 home three volumes of the programmatic EIS, I simply did not
25 do so.

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12 1 heating up. I had numerous conversations with Roy Hughes about
2 it, about OCS proposed lease-sale in Southern California. I
3 recall telephone conversations and whether it was this period
4 of time or in close proximity thereto, meeting with officials
5 of California that Governor sent back here from the State of
6 California. I remember talking to Mr. Hughes about it, setting
7 a schedule for him to go out and see Governor Brown and his
8 officials, I remember talking to the White House about setting
9 up meetings with California officials and making sure that
10 everything we knew and proposed was shared with the State
11 officials.

12 Q With whom in the White House did you speak during
13 that period concerning OCS leasing?

14 A Two persons, and if you would allow me, I will go to
15 the last two entries in my calendar for that month of September
16 22 and 23 because they are the written memorandum reinforces
17 my recollection.

18 On Monday, September 22, I have in my own handwriting
19 in parenthesis, a note to myself that just merely says, "Rums-
20 feld, re: California OCS."

21 Q All right.

22 A Again on that same date, I have a similar note in
23 parenthesis, saying "Call Rumsfeld, re: OCS."

24 The following day, on September 23, I have a memo in
25 my own handwriting in parenthesis that says, "Rumsfeld, re:

1 Have you now covered all of the diary entries between --
2 for the month of September concerning the OCS?

3 A I have, sir. The 3rd, 19th, 22nd and 23rd. And you
4 are welcome to have copies of them if you would like.

5 Q Other than the conversations which you have related
6 with President Ford and the conversations with Mr. Rumsfeld,
7 did you have any communication with any official in any of the
8 offices of the Executive Department concerning OCS leasing and
9 as examples of offices of the Executive Department, specifically
10 I would include the Office of Management and Budget; the Domestic
11 Council ---

12 A Any others?

13 Q The Energy Policy Office.

14 A Energy Resource Council?

15 Q Energy Resource Council, yes, or any other office
16 within the White House or the Executive Department concerning ---

17 MR. HYMAN: Do you include CEQ?

18 MR. LIKE: CEQ is certainly an office within that
19 department.

20 BY MR. LIKE:

21 Q Concerning accelerated OCS leasing prior to September
22 29, 1975 by communications ---

23 MR. HYMAN: Now, you personally, not anyone on your
24 staff but you personally, and if you do have any recollection
25 with whom or what was said?

rc21

1 didn't say anything about leasing.

2 BY MR. LIKE:

3 Q Did you ever speak to him about OCS leasing?

4 A I feel confident here again that in the natural course
5 of our conversations about natural resource matters, Glen
6 Schleene no doubt would have asked a similar question as Jim
7 Mitchell, "How are you coming on OCS?" And I would have told
8 him where we were, a status quo of when the draft final EIS's
9 were in what stage of preparation, and so on, what a tentative
10 lease schedule was, those types of things but nothing specific
11 that I can recall.

12 Q You can recall discussing with him OCS leasing
13 schedules?

14 A No, sir. I should amend that because here again I
15 am speculating, trying to be truthful with you. You may have --
16 those types of things may have been mentioned but I am specu-
17 lating. I don't want to say "No, I never had a conversation
18 with Glen Schleede," because it is likely that I did.

19 MR. HYMAN: But you have no present recollection of
20 what you discussed?

21 THE WITNESS: No, sir.

22 MR. HYMAN: And what you just said is that it could
23 have been discussed.

24 THE WITNESS: It borders on speculation. It could
25 have been discussed.

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1 to get his questions asked and I think I have a right of
2 cross examination, too, so I think that maybe you should get
3 to the important stuff.

4 MR. LIKE: I intend to give Mr. Bialik an opportunity
5 to ask questions.

6 MR. HYMAN: What about Mr. Hyman?

7 MR. LIKE: We discussed that. And you as well.

8 MR. HYMAN: With the 12:00 o'clock deadline in mind.

9 MR. LIKE: And with your cooperation.

10 MR. HYMAN: I am trying to cooperate.

11 BY MR. LIKE:

12 Q Mr. Frizzell, do you recall when you signed the
13 decision memorandum electing option number one?

14 A I recall at the end of the meeting on September 29th,
15 1975, after hearing full discussion of the issues presented
16 by several and all parties present that at the end of the
17 meeting I verbally announced what my decision was and then
18 signed option one.

19 Q And do you recall what time the meeting ended?

20 A Not specifically, no.

21 Q What is your best recollection?

22 A Some time around, prior to noon.

23 MR. ZIMMERMAN: Prior to noon?

24 THE WITNESS: Prior to noon.
25

1985 THE WITNESS: Yes.

MR. HYMAN: And you considered 3 and rejected 3?

THE WITNESS: Yes.

MR. BIALIK: Cyril, can I continue?

MR. HYMAN: You considered 3 and rejected 3?

THE WITNESS: Yes.

MR. LIKE: That is not fair, Cyril, let him finish.

BY MR. BIALIK:

Q Mr. Frizzell, am I correct that you have a law degree?

A Yes, sir.

Q And would you tell us in what year and from where?

A In 1955 from Washburn University Law School, Topeka, Kansas, later converted to a JD in 1969 or '70.

Q Do you have any other post-bachelor's degrees?

A No.

Q Did you pursue any other post-graduate study besides the study of law?

A No.

Q And do you have a bachelor's degree?

A Yes.

Q And can you tell us the date and the school?

A It was 1952 or 3, at Friends University, Wichita, Kansas.

Q And did you have a field of concentration?

1 A In undergraduate school?

2 Q Yes.

3 A No. Public speaking. I majored in speech in
4 undergraduate at Northwestern University prior to getting a
5 degree from Friends University.

6 Q Now, prior to or during September 29, 1975, do
7 you recall having any discussion with other members of the
8 Interior Department about whether or not to circulate the
9 final programmatic environmental statement for comment and
10 public hearing?

11 MR. HYMAN: Final programmatic ---

12 MR. BIALIK: By FEA.

13 MR. HYMAN: The final?

14 THE WITNESS: Yes. I did have such conversations.

15 BY MR. BIALIK:

16 Q Was there more than one such conversation?

17 MR. HYMAN: Well, you better ask him in what
18 capacity he had those conversations, as the Secretary or
19 Solicitor.

20 MR. BIALIK: No, let's first find out how many we
21 are talking about.

22 THE WITNESS: I am sure there was more than one.

23 BY MR. BIALIK:

24 Q And do you recall what the time period was?

25 A No, sir.

Q Well ---
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A Prior to September '75?

Q Did some such conversations occur while you were Acting Secretary?

A Undoubtedly.

Q Do you recall with whom you had these conversations?

A No, not an exclusive list, others I can't specifically recall, but I do specifically recall discussing the issue with Roy Hughes, Assistant Secretary; with Dave Lindgren, my Deputy Solicitor; and I feel confident that other program Assistant Secretaries involved or affected by such a decision would have been consulted and also in on the conversations.

Q Was a decision reached on whether or not to circulate the program FEA for comment and public hearing?

A Yes.

Q Can you tell us approximately when that decision was reached?

A Sometime in the early part of July to the best of my knowledge and recollection.

Q Who made that decision?

THE WITNESS: Would that be it?

MR. HUGHES: Just for the record the final statement was published on July 11, 1975, and it would take some time at the printers so it must have been before that.

THE WITNESS: It could be as early as May.

BY MR. BIALIK:

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Q That the decision was made?

A Yes.

Q Who made the decision?

A My recollection is that I did.

Q Do you recall if any of the people with whom you discussed this issue urged that you decide to circulate that document for comment and hearing?

A Had that I circulate it?

Q Yes.

A Yes, there were those. There were people on both sides of the issue, those who urged me to and those who urged me not to.

Q And do you recall the names of any people who urged that you circulate that document?

A My recollection is that one of the proponents was Roy Hughes and Dave Lindgren, and an Assistant Solicitor by the name of Bohlke.

Q How do you spell that?

MR. HUGHES: B-o-h-l-k-e to the best of my recollection.

THE WITNESS: B-o-h-l-k-e.

BY MR. BIALIK:

Q And do you recall who, if anybody, urged you to decide against circulating it? .

MR. HYMAN: Would it be an urging or a recommendation?

1983 MR. BIALIK: Call it a recommendation then.

THE WITNESS: I don't recall who, if anybody -- who the spokesman on that side of the issue was.

BY MR. BIALIK:

Q Do you recall if there were a spokesman on that side?

A I remember debating the merits of it so there must have been somebody on that side of the issue.

Q Do you recall what arguments were presented to you in favor of circulation?

A Not specifically at this time, with the time lapse, no.

Q Was any recommendation to circulate made to you in writing?

A Not that I recall. There could well have been. There could have been a briefing memo. The best I remember was, in fact, the rationale for the ultimate decision on my part and that was: "what harm can there be in doing so."

Q In circulating it?

A Yes, and thereby obtaining legitimate comments of the public and interested parties.

Q And do you remember if there was any argument on the other side?

A I remember it was an issue, it was just not "let's do it." Therefore, there had to be somebody on the other

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1 side, but I don't recall what it was.

2 Q Forgetting about who it was ---

3 A -- or the arguments therefor.

4 I also remember it was essentially a legal ques-
5 tion as opposed to a policy question.

6 Q Now, you have in the stack of papers before you
7 the final program PDOD, do you not?

8 A Yes, sir, a copy thereof.

9 Q Right.

10 Did you read that document word-for-word?

11 MR. HYMAN: I direct the witness not to answer. It
12 was asked by Mr. Like and answered on three occasions.

13 MR. BIALIK: It was not asked.

14 MR. HYMAN: It was asked by Mr. Like and answered
15 on three occasions. He testified that he read the documents.
16 And he specifically read the PDOD.

17 MR. BIALIK: What I am asking is whether it was
18 read word-for-word page-for-page as opposed to being reviewed.

19 MR. HYMAN: He testified that he read it word-for-
20 word, page-by-page, the only thing that he didn't read page-
21 for-page was the appendix table 3 and that he reviewed. I
22 remember it. You want to go over the testimony and see it
23 again? We got it right before us and you have it right on
24 your desk and you can confirm it with Mr. Like.
25

BY MR. BIALIK:

1951 I think --

A I would be pleased to answer the question.

MR. HYMAN: I don't want you to answer again.

MR. LIKE: Ask him if he adopts the statement by Mr. Hyman?

BY MR. BIALIK:

Q Do you adopt the testimony of Mr. Hyman?

MR. HYMAN: I did not testify. I am a lawyer here, I represent a client. I made no statement. If you want to waste time we'll go through the record where Mr. Like asked the exact question and he answered.

MR. BIALIK: You direct him not to answer?

MR. HYMAN: No, I did not.

MR. BIALIK: Then I want an answer.

THE WITNESS: I adopt the statement of my counsel that neither did I read word-for-word ---

MR. HYMAN: He is talking about the PDOD.

THE WITNESS: The PDOD, I read word-for-word.

BY MR. BIALIK:

Q What about the decision memorandum?

A Yes, word-for-word.

Q And you did not read word-for-word Exhibit 27 Is that correct?

A That was my earlier testimony.

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1 Q Well, is it correct?

2 A And it is correct.

3 Q And Exhibit 3 also word-for-word?

4 A That's true.

5 Q Do you wish to -- well, withdrawn.

6 MR. HYMAN: Does he wish to what, change his testi-
7 mony?

8 MR. BIALIK: Withdrawn.

9 MR. LIKE: There is no question, he withdraw.

10 MR. HYMAN: I didn't hear the second part. Sorry.

11 BY MR. BIALIK:

12 Q As of September 29, 1975, was it part of the data
13 available to you that the price of oil for Americans would
14 be cheaper if the accelerated OCS program was adopted?

15 Can you answer the question without referring to
16 any document?

17 A To the best of my recollection, there was data
18 in the documents available to me that at least would infer
19 your premise, not perhaps in the words you stated.

20 Q Okay.

21 In those words or in substance, and I am not trying
22 to ---

23 A Yes.

24 Q Okay. Was it part of the data that you had on
25 September 29, 1975, that imposed conservation measures would

BY MR. LIKE:

Q At any time before September 29, 1975, did you receive any information as to how much acreage would be offered for lease sale pursuant to the six sale proposal?

A No, because that would have depended on nominations and impact statements being filed.

Q Coming back again to the meeting on September 29, was there any discussion as to any estimates by the Department of the amount of acreage that was anticipated to be leased as the result of the six sale proposal and that is as distinguished from offered for lease?

A Not to my recollection.

Q Did any information come to your attention before September 29, 1975, as to the Department's estimates of the amount of acreage to be leased pursuant to the six sale proposal?

A Not to my recollection.

Q Was there any discussion at the September 29, 1975, meeting or prior thereto of assumptions as to the amount of acreage to be offered or the amount of acreage to be leased in future nominations and bids?

A Other than in general reference of area, possible sales in an accelerated leasing schedule, no reference to amounts of acreage were discussed to my recollection.

MR. LIKE: Let's have that answer reread, please.

1 A Well, if I may refresh my recollection from my notes
2 as you have just done from them, could I see that exhibit,
3 please?

4 Q Certainly.

5 MR. BIALIK: It is exhibit 11.

6 [Documents provided to the witness.]

7 THE WITNESS: According to my handwritten notes
8 which are a result of a briefing that I received yesterday ---
9 no, the day before yesterday, by the Solicitor's Office,
10 as a result of information obtained from them, I have written
11 the 10 million acre goal was abandoned by the Department of
12 Interior in November of 1974. It was later deleted.

13 BY MR. LIKE:

14 Q When it was abandoned in November of 1974, it was
15 replaced, was it not, by the so-called six sale proposal;
16 is that right?

17 MR. HYMAN: Do you know?

18 THE WITNESS: That's what my notes reflect as a
19 result of the briefings from the Solicitor's Office.

20 BY MR. LIKE:

21 Q All right.

22 Do you know how many acres ---

23 A I don't know that they briefed me accurately, you
24 understand, but these are my notes.

25 Q Do you know how many acres were contemplated to be

1 offered for lease under the six sale proposal which replaced
2 the 10 million acre target?

3 A No, because to my knowledge there never were any
4 acreage amounts assigned to any of those such six sale pro-
5 posals.

6 Q Was there up to September 29, 1975, so far as you
7 know, any acreage target assigned to the six sale proposal?

8 A Not to my knowledge.

9 Q Are you familiar with a document which is entitled
10 "Report to the Congress, Outlook for Federal Goals to
11 Accelerate Leasing of Oil and Gas Resources on the Outer
12 Continental Shelf, Department of the Interior, Federal Energy
13 Administration, by the Comptroller General of the United
14 States," dated March 19, 1975?

15 A No, I am not familiar with it.

16 Q In your capacity as Acting Secretary, did you ever
17 have any contact with any representatives of the Comptroller
18 General's Office or the General Accounting Office with respect
19 to the accelerated leasing program?

20 A Which agencies?

21 Q The General Accounting Office, Comptroller General?
22 GAO and the Comptroller General? With respect to the acceler-
23 ated leasing program?

24 A Not to my recollection.

25 Q Are you familiar with the September 18, 1974, Carter

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

THE STATE OF NEW YORK and THE NATURAL
RESOURCES DEFENSE COUNCIL, INC., et al.,

Plaintiffs,

vs.

THOMAS S. KLEPPE, Secretary of the
Interior, et al.,

Defendants.

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: 76 CIV 1229 (JBW)
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Deposition of KAREN ELLIOTT HOUSE

WASHINGTON, D. C.

WEDNESDAY, JULY 21, 1976

INDEPENDENCE REPORTING, INC.

OFFICIAL REPORTERS

304 Independence Avenue, S.E.

Washington, D.C. 20003

(202) 547-1005

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P R O C E E D I N G S

MR. BIALIK: On the record.

Whereupon,

KAREN ELLIOTT HOUSE

was called for examination by counsel for the plaintiff State of New York and, having been first duly sworn by the notary public, was examined and testified as follows:

MR. BIALIK: Let the record show that Mr. Hyman announced that there will be no stipulations for this deposition.

MR. HYMAN: That is a fair statement.

DIRECT EXAMINATION

BY MR. BIALIK:

Q Ms. House, are you a reporter for the Wall Street Journal?

A Yes, sir.

Q And is that here in the Washington, D. C. office?

A Yes.

Q I show you what appears to be page 2 of the Wall Street Journal, dated Thursday, June 17, 1976, and refer you to an article in column 3 ---

A June 13?

Q Excuse me, June 17, 1976.

And I refer you to an article with the headline

"U.S. Sets First Sale of Oil, Gas Leases in Atlantic August

1 17" and I ask you if you can identify that article.

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2 A As what?

3 Q Well, have you ever seen it before?

4 A Oh, yes.

5 Q And are you the author of that article?

6 A Yes.

7 MR. BIALIK: May I ask that the page of the Wall Street
8 Journal be marked for identification as Exhibit 1.

9 (House Deposition Exhibit No. 1
10 was marked for identification.)

11 BY MR. BIALIK:

12 Q Now, the first paragraph which I would like to call
13 to your attention reads as follows.

14 MR. HYMAN: Wait a second. I assume she can read.

15 MR. BIALIK: Mr. Hyman, I am asking the questions.

16 MR. HYMAN: Can you read, Ms. House?

17 THE WITNESS: Yes.

18 MR. BIALIK: Mr. Hyman, when you cross-examine, you
19 cross-examine.

20 MR. HYMAN: It is your money.

21 BY MR. BIALIK:

22 Q It says, "The Interior Department set Aug. 17 for the
23 first federal oil and gas lease sale off the Atlantic Coast
24 but postponed sales of two other Atlantic tracts until 1977."

25 Can you tell us what that paragraph refers to? Or to

1 phrase it differently, can you tell us what the basis of the
2 statement in that paragraph is?

3 A A meeting between Secretary Kleppe and three reporters.

4 Q When did the meeting take place?

5 A June 16th.

6 Q Of 1976?

7 A 1976.

8 Q Where was it held?

9 A In the Secretary's office at the Interior Department.

10 Q And were you present?

11 A Yes, sir.

12 Q And can you tell us what other reporting services,
13 if you know, were present?

14 A UPI and the Washington Star.

15 Q Now, referring to this sentence I just read beginning
16 with the words "The Interior Department set Aug. 17 . . ." can
17 you tell us who at the Interior Department is referred to in
18 that sentence?

19 A Secretary Kleppe.

20 Q And can you tell us what he said at that meeting of
21 June 16, 1976, about a sale in the Atlantic?

22 MR. HYMAN: His exact words.

23 MR. BIALIK: Mr. Hyman, I am conducting the examina-
24 tion.

25 THE WITNESS: He said that the Department had decided

1 to hold the first hearing -- the first lease sale on August
2 17, and that the other two in the Atlantic were being postponed
3 for further environmental studies.

4 BY MR. BIALIK:

5 Q And did he identify at that meeting which area of the
6 Atlantic he was talking about in terms of the August 17th
7 lease sale?

8 A He asked one of his assistants, Mr. Knight, to go out
9 and check which particular area the sale was scheduled for.

10 Q And did he subsequently in the meeting state which area
11 that was?

12 A Yes, that it was the area off New Jersey and Delaware
13 rather than New England or Georgia.

14 Q Now, I show you what is page 49 of the New York Times,
15 dated Thursday, June 17, 1976, and refer you --

16 A It is not June 13.

17 Q June 17th.

18 A Yes.

19 Q And refer you to columns 3 and 4 to a story headed
20 "Sale of Offshore Leases for Oil Drilling Slated." In small
21 print under the headline are the words "The Washington Star."

22 I ask if you have ever seen that Washington Star
23 report?

24 A I saw that story when it was in the Star, the after-
25 noon of June 16th, I think.

1 MR. BIALIK: Can we have that marked for identifica-
2 tion as Exhibit 2.

3 (House Deposition Exhibit No. 2
4 was marked for identification.)

5 MR. ZIMMERMAN: Have you ever established that she
6 saw that article?

7 MR. HYMAN: Let him establish what he wants.

8 MR. BIALIK: Will you let me ask my questions?

9 BY MR. BIALIK:

10 Q Would you glance, please, at the story in the New
11 York Times and see if it is substantially similar to the story
12 you recall from the Washington Star? I am not asking if it
13 is word for word the same, but just if it is substantially
14 similar.

15 A Yes, sir.

16 Q OK.

17 Now, I refer you to the first paragraph of this
18 article which reads as follows: ---

19 MR. HYMAN: What article are you talking about, Mr.
20 Bialik?

21 MR. BIALIK: The article on Exhibit No. 2.

22 MR. HYMAN: You mean the New York Times story?

23 MR. BIALIK: Mr. Hyman, Exhibit 2 has been identified.

24 MR. HYMAN: As the New York Times story?

25 MR. BIALIK: Mr. Hyman, you will see in the record

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1 what it is. Here is Exhibit 2 (indicating).

2 BY MR. BIALIK:

3 Q "The first lease-sales to United States oil companies
4 of rights to drill for oil and gas off the Atlantic coastline
5 have been scheduled for Aug. 17 in New York City, Interior
6 Secretary Thomas S. Kleppe said today."

7 I ask you, is that a fair statement of your ---

8 MR. HYMAN: First of all, it is not a quote. You
9 identified it as a quote. It is a statement in a newspaper with
10 out quotes.

11 MR. BIALIK: It is a quotation from Exhibit 2.

12 MR. HYMAN: Oh, that you quoted from?

13 MR. BIALIK: Mr. Hyman, the record is very clear on
14 this. I am quoting from Exhibit 2.

15 MR. HYMAN: I am not clear. I looked for the quote
16 and I didn't see the quote.

17 MR. BIALIK: I was quoting from the exhibit.

18 MR. HYMAN: Oh, you were quoting from the exhibit. I
19 think that is clear to me now.

20 BY MR. BIALIK:

21 Q Does the sentence I just read accurately reflect the
22 statement by Mr. Kleppe at the June 16, 1976 meeting that you
23 previously testified to?

24 A Yes, sir.

25 MR. BIALIK: I have no further direct.

2003

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In the Matter of:

State of New York and the Natural
resources Defense Council, Inc.,

Plaintiffs

against

Thomas S. Kleppe, Secretary of Interior

Defendant

And

County of Suffolk, County of Nassau,
Town of Isle, Town of Hempstead,
Town of North Hempstead, Town of
Oyster Bay, Town of Huntington and the
Board of Trustees of the Town of
Huntington and Concerned Citizens
of Montauk, Incorporated

Plaintiffs

against

Rogers C. B. Morton, Individually and
as Secretary of Interior, Curtis
Berklund, Individually, and as
Director of the Bureau of Land
Management

Defendants

Complaint for
Declaratory and
Injunctive
Relief
76 Civ. 1229

Civil Action
No. 75-C-208

Washington, D. C.,
Wednesday, July 14,

Deposition of ROYSTON HUGHES, the defendant herein,
called for examination by counsel for the plaintiffs in the
above-entitled action, pursuant to notice,

1 Table 3 was omitted from the first that was sent
2 me, and it was sent as a subsequent mailing, I think by
3 either Mr. Hoese or Mr. Hughes. It was a missing piece.

4 MR. JENSEN: Of PDOD.

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5 THE WITNESS: I have reviewed the two documents
6 given to me and I am familiar with both.

7 BY MR. LIKE:

8 Q Please mark that for identification. Mark the first
9 document as 9-A and the second one as 9-B, please.

10 (The documents referred to were
11 marked Exhibits Nos. 9-A and 9-B
12 for identification.)

13 MR. JACK HUGHES: Off the record.

14 BY MR. LIKE:

15 Q In September 1975, were you in charge of the OCS
16 Coordination Office?

17 A Yes.

18 Q Were you in charge of the preparation of the PDOD?

19 A Yes.

20 Q Are you familiar with Part 301 of the Department
21 of the Interior's Departmental Manual which contains a
22 Chapter 1 entitled "Program Deficient Option Documents."?

23 A Yes. I am generally familiar with that chapter.

1 A In that we are referring to a great number of
2 meetings and I observed people writing on various types of
3 paper in those meetings, yes, people took notes at those
4 meetings.

5 Q Do you recall when the first draft of the PDOD was
6 prepared?

7 A No.

8 Q Can you give me an approximation as to how long after
9 the beginning of the preparation of the PDOD in the early summer of 1975 you saw a draft of either a portion of the entire
10 PDOD document?
11

12 A I would guess in a matter of weeks, but I have no
13 way of knowing whether it was six weeks or eight weeks, but
14 it took a matter of weeks to compile the information contained
15 in the final document. It could have taken as many as twelve
16 weeks.

17 Q Do recall when the PDOD was completed by your staff
18 and ready for comment?

19 A I believe in late August or early September of 1975.
20 Part of the routine of writing a PDOD would be to circulate
21 the draft PDOD to the principal offices within the Department
22 and receive comments as to the accuracy or bias on the PDOD.

23 Q Does the name Darius W. Gaskins, Jr. strike a cord

1 draft programmatic PDOD for accelerated leasing?

2 A I don't recall the specific date, but I did receive
3 a draft copy of the PDOD sometime in the late summer, either
4 late August or early September, as I stated earlier.

5 Q I show you a document which is dated August 1, 1975
6 porporting to be a memorandum from the Director of the Office
7 of OCS Program Coordination, signed by Darius W. Gaskins, Jr.,
8 directed to the Assistant Secretary for Program Development
9 and Budget and other Assistant Secretaries, as well as the
10 Solicitor and the Director of the Geological Survey and the
11 Bureau of Land Management Director.

12 I ask you to please tell me whether you recall re-
13 ceiving that document and the PDOD on or about August 1st,
14 1975?

15 A Yes, I am familiar with this document and received
16 it shortly after the date on the document.

17 MR. LITE: Mark that for identification, please.

18 (The document referred to was
19 marked Plaintiff's Exhibit No.
20 10 for identification.)

21 BY MR. LITE:

22 Q Are you prepared now, having refreshed your recol-
23 lection by examining Exhibit 10 for identification, to testify

2007

the spring of 1975, Secretary Morton and I had a discussion with the President and some of his senior staff people again reviewing some of the issues and, I think, particularly as they related it to the legislation that was under consideration on the Hill.

Q Was there any discussion at that time, either by the President or by Mr. Morton, in which either party indicated that there would be an acceleration of the leasing, Federal leases?

A No. The subject and the accelerated programmatic was in process, so I am sure that the subject of the statement being prepared was discussed, but there was no decision to proceed with the accelerated program.

Q No discussion is what you are telling us. That's what I just asked you.

MR. HYMAN: No, he gave an answer. He said there was no decision and no discussion as a result of this.

BY MR. CATTERSON:

Q That's not responsive. I asked if there was a discussion about this issue.

A There may have been discussion about this. I don't specifically recall the entire conversation -- the entire conversation. The purpose of this meeting was to discuss the

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1 BY MR. BIALIK:

2 Q Could you tell us to the best of your recollection
3 what was said by each of the persons at that meeting?

4 MR. HYMAN: Do you have a recollection?

5 THE WITNESS: I don't have a recollection of
6 specific comments made. A general recollection of the meeting
7 is that each of the principals opted for Option 1, which was
8 the decision -- the option which called for the decision -- the
9 option to accelerate the program as proposed. The Assistant
10 Secretary for Fish, Wildlife and Parks opted for Option 2, which
11 was to modify the accelerated proposal.

12 BY MR. BIALIK:

13 Q Do you remember anything that Mr. Frizzell said?

14 A Mr. Frizzell, I have a general recollection that he
15 asked specific questions of people and there was some discussion
16 as to their relationship between the programmatic EIF and the
17 site specific EIF for Southern California, because both
18 processes had been ongoing simultaneously so that there was a
19 need to clarify from time to time, which process we were talking
20 about.

21 Q I take it the whole meeting was concerned with the
22 programming EIF. Isn't that the case.

23 MR. HYMAN: Well, wait a second. It was -- You know,

1 you are asking questions that are loaded. The meeting concerned
2 the impact statement and whatever documents they had in front
3 of them at the time and whatever processes --

4 MR. BIALIK: No, you are testifying. Let me phrase
5 the question.

6 MR. HYMAN: Well, phrase the question.

7 BY MR. BIALIK:

8 Q Is it a fact that you scheduled this meeting on the
9 Acting Secretary's calendar for the purpose of having a decision
10 made on the programmatic OSC?

11 A Yes.

12 Q Now, would you explain again what the confusion was
13 with respect to the California EIF?

14 MR. HYMAN: What confusion? At the meeting?

15 BY MR. BIALIK:

16 Q Did you just testify that there was confusion as to
17 the California environmental review at the meeting?

18 A It seems to me I said in response to your question
19 about what was discussed at the meeting that in addition to
20 specific references to the programmatic statement, that
21 subjects related to the EIF process ongoing for the proposed
22 Southern California sale also came up, because from time to
23 time among that group of eight to twelve people there was

1 occasionally some misunderstanding as to which item we were
2 talking about. 2010

3 Q And do you recall any of the specific questions
4 raised by Mr. Frizzell?

5 MR. HYMAN: Relating to what, sir?

6 MR. BIALIK: Any question raised by Mr. Frizzell at
7 that meeting.

8 MR. HYMAN: Relating to what?

9 MR. BIALIK: Whatever questions he raised at that
10 meeting.

11 MR. HYMAN: Personal questions? Questions relating
12 to the document?

13 MR. BIALIK: I am --

14 MR. HYMAN: I have an objection as to form.

15 MR. BIALIK: Very good.

16 THE WITNESS: I don't have any specific recollection
17 of questions asked by Secretary Frizzell.

18 BY MR. BIALIK:

19 Q Do you remember any persons who became confused,
20 with whom there was an occasional misunderstanding?

21 A No. My reference to the confusion between the two
22 processes is a general reference, in that both processes were
23 being simultaneously worked through the department, but I

2011

1 THE WITNESS: That's correct, sir.

2 BY MR. BIALIK:

3 Q I show you what has been marked as -- this is by
4 Frizzell -- or -- Exhibit 9A and 9B which together comprise
5 the programmatic PDOD. Am I correct, sir, that you saw drafts
6 of this document as it was being prepared?

7 A Yes.

8 Q And that you read the drafts?

9 A Yes.

10 Q And did you read the final PDOD?

11 A Yes.

12 Q Did you in any sense approve of this document?

13 That is, were drafts given to you essentially for
14 your approval?

15 A You mean, in that the drafts were in fact compiled
16 by my staff people? Yes, I approved the final version of the
17 PDOD which was submitted for departmental approval and
18 ultimately for the Secretary's decision.

19 Q I refer you to Page 4 of the PDOD, and to the
20 statement on that page in the bottom paragraph, the costs of
21 OCS oil have been variously estimated to range from \$1.00 to
22 \$7.00 per barrel. Can you tell us how this computation was
23 made?

1 A I think if you observe the footnote on that page,
2 you will find that the basis is there for how that dollar
3 figure is arrived at. The costs of OCS oil referred to in this
4 document and generally in the discussions on the government's
5 case for OCS development refer to the actual costs to produce oil
6 in the Outer Continental Shelf, which will vary between \$2.50
7 and \$3.50 per barrel, exclusive of transfer payments. Transfer
8 payments are the bonus and royalties which companies pay, and there
9 is a fee to get the resource under the bonus bid leasing system
10 so that in a comparison between OCS produced oil, which will sell
11 for \$12 a barrel, and Mid-East oil, which will sell for \$12.00
12 a barrel, the difference between the \$3.00 and the \$12.00 for
13 the OCS oil goes largely to the taxpayer in the form of bonuses
14 and revenues, whereas there is no difference between \$3.00 and
15 \$12.00 for Mid-East oil. It all goes to the Mid-East. Thus -

16 Q I'm sorry?

17 A Thus billions of dollars -- In those years it was
18 \$24 to \$27 billion of additional U. S. revenue went to the
19 Mid-East.

20 Q Now, do I understand you correctly that the
21 assumption here is that the OCS oil would be sold for the same
22 price as the OPEC or the imported oil, and the question that
23 you are computing over here is what the cost of production is

1 for the OCS oil?

2 A Yes, at that time and the present time a barrel of
3 oil sells for -- on the open market, for the going price,
4 whether it's produced for the Mid-East or for the U. S. -- yes,
5 the assumption is that they would sell for the same price. Now,
6 there is some variation in qualities. High sulphur oil sells
7 for less than low sulphur oil, et cetera. Largely they sell for
8 the same dollar value.

9 Q Now, do you have any information or do you know what
10 the source would be for estimating what the transfer payments
11 would amount to just in a broad range?

12 A Which is in fact based on estimates from the
13 Geological Survey in terms of reserves. A theoretical or
14 tentative production level could be arrived at for a given
15 area, like the Baltimore Canyon area, and one can assume a
16 production there of perhaps a million barrels a day selling for
17 \$12.00 a barrel on the open market, then the \$9.00 transfer
18 payment figure, and there's also a profit figure, 6 to 10
19 percent profit in our calculations.

20 Would -- I forgot what your question was, now.

21 Q I think you are answering me. What essentially would
22 the transfer payments amount to?

23 A It would be, in that particular case, \$9 million per

1 day, roughly.

2014

2 Q No, I mean, as compared -- You see, you have a
3 figure here of \$1.00 to \$7.00 per barrel.

4 A The reason it's a range is that the costs on the
5 east coast, and my figures are 6 to 10 months out of date now,
6 because I have not been involved with this recently, but on
7 the east coast the operative figure was about \$3.00 a barrel
8 to produce on the Atlantic OCS. In Alaska, it will probably be
9 \$10.00 a barrel to produce because of the climatic differences,
10 the icing problems, the depth of water, the hardness of bottom.
11 All sorts of factors will force a variation in the cost to
12 produce oil in the OCS.

13 Q All right, but now in Alaska you have already had
14 a sale.

15 A The sale was conducted after I left this department.
16 Yes, sir.

17 Q Were any sales conducted while you were in the
18 department?

19 A Yes.

20 Q And based on such sales, do you have any estimate
21 as to how much the transfer payments, that is, the bonuses and
22 royalties, would amount to per barrel?

23 MR. HYMAN: I object to the form of the question. It

2015

1 is highly speculative. It has to note production. How can he
2 talk about royalties until the oil is found and brought up? Why
3 don't you ask him if during the course of his tenure here there
4 was a sale, and if there was drilling and production, can't he,
5 based on that, make a comparison from where the sale was to the
6 Mid-Atlantic or wherever you are interested in?

7 I mean, let's get something down specifically, so the
8 answer would have meaning.

9 BY MR. BIALIK:

10 Q Let me ask you this. Were any estimates made as to
11 what those transfer payments would amount to?

12 A Each year -- and I would have to preface my answer
13 by saying that the OCS business is a business in which the
14 time is measured in years, not days, from the proposal, to
15 leasing area, to the drilling of the first hole. It is three
16 to eight years from the beginning of the process to the end of
17 the process, assuming normal climatic conditions.

18 MR. HYMAN: And normal -- and environmental Court
19 actions.

20 THE WITNESS: And environmental Court actions, but I
21 might add that this department and this Federal Government has
22 received revenues from the Outer Continental Shelf since the
23 beginning of the program. The revenues come from the bonuses

1 and royalties, the transfer payments, and this department has
2 contributed, you know, dollars on the order of billions of
3 dollars to the Federal Treasury as the result of OCS leasing,
4 and that's when I explained the difference between the value
5 to the U. S. citizen, taxpayer, between domestic OCS oil and
6 Mid-East oil is that \$9.00 difference between \$3.00 and \$12.00
7 comes back to the Federal Treasury.

8 BY MR. BIALIK:

9 Q Well, okay, but are you telling me then that in
10 terms of estimating what the transfer payments, what the
11 addition of the transfer payments would do to this \$1.00,
12 \$7.00 per barrel figure is not available?

13 MR. HYMAN: He didn't say that. He said it's
14 an estimate.

15 MR. BIALIK: What's an estimate, the \$1.00 to \$7.00?

16 BY MR. BIALIK:

17 Q What you have here is \$1.00 to \$7.00 per barrel
18 exclusive of transfer payments. What I'm trying to find out
19 is if there is any estimate as to what the cost of production
20 would be including the transfer payments.

21 A It's a highly speculative question because I can't
22 tell you how much a barrel of oil is going to sell for in 1985
23 which is probably when, assuming they have a sale on the

2017

1 Q Do you know whether these studies have been used
2 in any way in connection with the preparation of the PDOD?

3 A No.

4 Q Do you know of your own knowledge -- Withdrawn.

5 Chapter 1, Section C of Part 301.14A2 states --

6 MR. HYMAN: What document?

7 BY MR. LIKE:

8 Q Departmental Manual, Part 301, Chapter 1, Section C,
9 sets forth the duties of officials responsible for preparing
10 program decision option documents. Are you familiar with the
11 obligations of officials who prepare program decision
12 documents?

13 A Generally.

14 Q And you were the responsible officer responsible
15 for preparing the PDOD. Correct?

16 A Yes.

17 Q It states that such officials shall obtain infor-
18 mation necessary for the preparation of decision option
19 documents and shall conduct such study, analysis and evalua-
20 tion. Are you personally familiar with what studies and
21 analyses were conducted by the staff in connection with the
22 preparation of the PDOD?

23 A I am generally familiar with the quality and content

1 know what costs are included in that figure?

2018

2 A Generally that range is the range attributed to
3 the company's development costs, the actual dollars the
4 company has to expend to survey, drill, put in production
5 facilities, and produce.

6 Q Does this include any overhead expenses?

7 A I would assume that it does.

8 Q So it's not the out-of-pocket to the company?

9 A Well, I stated previously that the figure, the
10 range, \$1.00-\$7.00, is the amount of money that it would cost
11 to produce oil on the OCS, including a profit figure for the
12 companies of 6 to 10 percent.

13 Q And over it.

14 A I said this was the cost to produce plus a profit
15 figure.

16 Q Okay. Do you know what the basis of that figure is?

17 A Studies done both in this department, in the Office
18 of OCS Coordination and, to the best of my knowledge, studies
19 done outside the department.

20 Q Okay. So studies done in the OCS?

21 A The Office of OCS Coordination.

22 Q Okay. And studies done outside of the Department of
23 Interior?

2019

1 MR. HUGHES: What page are you on now?

2 BY MR. BIALIK:

3 Q Now, referring to Page 10 of Exhibit 15, I refer
4 you to the paragraph beginning in the middle of the page, and
5 to the bottom line, in which the statement is made -- well, let
6 me read the entire sentence: "These measures require inter-
7 vention because they would not otherwise be undertaken by
8 consumers."

9 MR. HYMAN: Excuse me, sir.

10 MR. BIALIK: Presumably.

11 MR. HYMAN: You are on Page 10?

12 MR. BIALIK: Yes, sir.

13 THE WITNESS: I have that one.

14 MR. BIALIK: Your witness has found the line.

15 MR. HYMAN: Where is it?

16 MR. HOESE: Second paragraph.

17 MR. CATTERSON: Get it together.

18 BY MR. BIALIK:

19 Q "Presumably because they impose net costs on the
20 consumer." Would you tell us what net costs are referred to
21 in that sentence?

22 A It is my general understanding that the net costs
23 referred to would cover a whole range of topics.

what kinds of net costs are you referring to there? 2020

A Creature comfort, the quality of the ride, the very thing that the American consumer has refused to abide by because he is now buying larger cars again.

Q So these costs are social costs?

A To the best of my recollection.

Q And now do you know what the basis for this statement is, the sentence that I just read to you? What the data sources are?

A Not specifically, no.

Q Well, do you have any general knowledge of what the sources are?

A Generally, a recollection of the reaction to the fuel embargo was a period of hysteria in this town as people tried to decide how they could deal with a very minor curtailment in energy supplies, and the subject of changes in lifestyle occasioned by either mandatory conservation measures or voluntary conservation measures became the subject of wide debate. The American public, as represented by their legislators, refused to support mandatory conservation measures and thus did not provide the option which organizations like the Ford Foundation offered as a way of avoiding increased energy production -- be it coal, oil or gas -- in this country.

2021

1 Q Now does this net cost discussion -- does that
2 consider whether or not there are any net benefits to the con-
3 sumer from taking these actions? ;

4 A I assume it does but I don't specifically remember
5 the recommendations of the Ford Foundation.

6 Q What does the Ford Foundation have to do with it?

7 A The previous paragraph -- the source of the conserva-
8 tion measures comes basically from the Ford Foundation report.

9 Q You mean what specific things fall into what specific
10 category?

11 A No. My interpretation of that paragraph is that it
12 comes largely from the reference to the Ford Foundation report
13 which offered the Government a whole spectrum of conservation
14 measures to impose as opposed to increased energy development
15 in this country.

16 Q I refer you to page 11 of Exhibit 15, specifically
17 to the sentence beginning on the third line and which I will
18 read: "However, as long as the total cost per barrel of OCS
19 oil is less than the price of oil it is better to increase OCS
20 production by one barrel than to conserve an additional
21 barrel through mandatory conservation measures. This is true
22 because the barrel of production has a price (value) in excess
23 of its total cost; thus it provides a net savings if it is

1 produced." Could you tell us what those sentences mean?

2022

2 A Those sentences basically refer to the economic
3 theory about the social cost of production as opposed to the
4 actual cost of production and I won't attempt to give you a
5 detailed interpretation on that. But basically the sense of
6 the statement is meant to be that if in fact we locate and
7 produce a barrel of domestic resource, there is a value to the
8 society above and beyond the actual \$12 per barrel of that oil
9 because the difference between the cost of production or the
10 transfer costs and the costs, the selling price, are put back
11 into the economy of the society.

12 The conservation issues, on the other hand, are
13 a negative value in the terms of the dynamics of the society
14 imposing a negative value having people do less, either making
15 fewer cars, fewer roads. It is in a sense talking about social
16 costs, not dollar costs.

17 Q You are talking about the total cost per barrel of
18 OCS oil. You are talking there about dollar costs or social
19 costs?

20 MR. HYMAN: He just answered.

21 THE WITNESS: I'm just talking about a social cost,
22 the cost to society by imposing a negative. A conservation
23 measure is greater than the cost to the society by developing

1 or producing an additional barrel of oil because the production
2 of that oil implies, in the sense of gross national product,
3 a ripple effect throughout the economy. And I don't profess
4 to be a sophisticated economist. Dr. Gaskins or Dr. Moffet are
5 surely the architects of these words. But it talks about the
6 social costs of an economy which is expanding as opposed to
7 an economy which is negated by conservation measures.

8 Q Do you have any background in economics?

9 A Yes. One course.

10 Q What level course was that?

11 A College level.

12 MR. HYMAN: Don't answer the question.

13 MR. CATTERSON: It's very important because he holds
14 the position of Under Secretary or Assistant Secretary for
15 Budget and Management.

16 THE WITNESS: Program Development and Management.

17 MR. HYMAN: Give him the name of the course.

18 THE WITNESS: Basic economics.

19 MR. HYMAN: Who was your professor?

20 MR. CATTERSON: That's not germane.

21 BY MR. BIALIK:

22 Q Was that an introductory course in economics, one-
23 semester course?

1 A I was the Legislative Assistant to the Congressman.

2 Q Now, going back to the sentence on the top of page 11 --
3 this is true because the barrel has a price in excess of its
4 total cost. Are you talking there about social costs or econom-
5 ic costs?

6 A I'm not talking about it, but the statement is talking
7 about social costs, social value, perhaps price is the
8 wrong term.

9 Q All right, what is the term price referred to? Is
10 that the dollar price or the social price?

11 A It's my interpretation that that's a social price.

12 Q So it's a social price in excess of its total social
13 cost. Is that what --

14 A That's my understanding, yes.

15 Q And that in continuing thus it provides a net savings
16 if it is produced, a net social savings?

17 MR. HYMAN: You asked the question. He answered it
18 two times already.

19 THE WITNESS: Yes.

20 BY MR. BIALIK:

21 Q Now, the previous sentence, as long as the total
22 cost per barrel of OCS oil is less than the price of oil, is
23 that social cost and social price?

2025

1 A That's my understanding, yes. Social price and
2 selling price may be interchangeable in terms of price of oil.
3 The social cost and the selling cost may be exactly the same.

4 Q You say the social price and the selling price may
5 be interchangeable?

6 A That's right. The price of oil may be \$12 a barrel
7 in real economic terms or \$12 a barrel in social terms, social
8 cost versus economic cost.

9 Q Why would those two be equal to one another?

10 A Why couldn't they be?

11 MR. HYMAN: Don't argue. Can you answer his question?

12 THE WITNESS: I don't know. And I've explained
13 earlier that the economists, Dr. Gaskins or Dr. Moffet can give
14 you a much fuller explanation of social theory of costs and
15 benefits.

16 Q Okay, to the best of your understanding in this
17 sentence total cost per barrel of OCS oil is less than the price
18 of oil, we are dealing again with social costs as against social
19 price of oil?

20 A Yes.

21 Q Now, I believe that you told Mr. Like that there were
22 some unpublished FEA reports that were the basis of portions
23 of this PDOD. Do you know --

Q In this case it would be you who ultimately set the time frame, wasn't it?

2026

A I think generally, with the caveat that the Under Secretary who by that time was incapacitated and was on convalescent leave status, was involved in the time frame set out.

Q As of this date of this memorandum, were you responsible for the scheduling?

A The Bureau may have laid it out for their working forces, a regular chart which laid out tasks to be completed by a certain date.

Q Were you the person on March 24, 1975, who had ultimate control over any scheduling?

A Ultimate to me would imply the Secretary. I was the person responsible for this project.

Q And for the scheduling of it?

A Yes, sir.

Q I take it then you had the authority to modify the schedule?

A That is correct.

MR. BIALIK: I will ask the reporter to mark for identification as Plaintiffs Exhibit 13 a memorandum, dated November 15, 1974, from the Acting Assistant Secretary for Fish, Wildlife and Parks to the Assistant Secretary for Program Development and Budget, and after it is marked I ask that it

1 Interior Department sent a response to this?

2 A No.

3 Q Who was Jack Horton?

4 A He was and still is Assistant Secretary for Land and
5 Water in this Department.

6 Q Are you familiar with any proposal by this Department
7 to President Nixon in 1973 for acceleration of OCS leasing?

8 A I am not familiar with a specific proposal in terms of
9 the language of a document. I am aware that this Department
10 supported the general concept of accelerating OCS leasing and
11 development and forwarded that support to the White House.

12 Q Was that in 1973?

13 A To the best of my recollection.

14 Q Could you tell me approximately when in 1973?

15 A To the best of my recollection early in the year, but
16 I don't specifically recall a date. I was not directly involved
17 with the processing at that time.

18 Q Do you know if this was sent to the White House in a
19 written form?

20 A I don't know for a fact that it was; I assume it was.

21 Q Do you know on behalf of the Department who submitted
22 it to the White House?

23 A No.

24 Q When you say that the Department supported the
25 concept, had anybody advanced the concept so far as you know to

1 Q Do you have any information as to communications
2 between Mr. Morton and Mr. Flannigan in the two-year period
3 with respect to accelerated OCS leasing? 2028

4 A No.

5 Q Do you know Interior for the first time began con-
6 sideration of developing Atlantic OCS areas?

7 A I am told that the Bureau of Land Management -- I
8 don't specifically know.

9 Q I am asking if you have any information.

10 A I am told it has been under consideration for the
11 last 15 years.

12 Q Do you have any information as to when the first
13 time Atlantic areas of the OCS were considered for scheduled
14 leasing?

15 A To the best of my recollection the Bureau of Land
16 Management began in the late 1950's or early 1960's to look
17 at possible leaseings in the Outer Continental Shelf and the
18 Atlantic area would have been considered in such leaseings.

19 Q Are you familiar with a document entitled "Report of
20 the Outer Continental Shelf Task Force"?

21 MR. HYMAN: Can you be more specific? Who wrote it
22 and in what year?

23 MR. BIALIK: I think it was written in 1973.

24 THE WITNESS: Unless I can see the document, I would
25 not be able to answer that question. It is confusing because

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1 saw it before.

2 BY MR. BIALIK:

3 Q That is not my whole question. You are wasting my
4 time. I asked if he knew the purpose for which it was prepared
5 and the use to which it was put.

6 A No.

7 Q Do you know whether the Department of Interior at
8 any time decided that energy independence was a goal that the
9 Department should support?

10 A It is a difficult question to answer because the
11 President for whom we all worked during the period of time you
12 are talking about laid out a goal for the administration, and
13 the Secretary in any Cabinet agency, once the goal is estab-
14 lished, either supports it or resigns. Secretary Morton did
15 not resign, so we supported the goal.

16 Q Do you recall when for the first time the President
17 announced that goal?

18 A No.

19 Q Are you referring though to a speech of the Presi-
20 dent?

21 A I don't follow your question.

22 MR. HYMAN: How did you find out about Project
23 Independence?

24 THE WITNESS: To the best of my recollection this
25 Department was engaged in a dialog both before the goal was

January.

2030

2030

Q As of last January 1976, was it still in operation?

A In January 1976 it had the functions I have already attested to. The confusion arises from a second board that was created earlier that year, earlier in 1975.

Q Do you know who Allan Hirsch is or was in January 1976?

MR. HYMAN: Did you ever hear the name Allan Hirsch?

THE WITNESS: He is an employee of Wildlife Service and senior environmentalist.

BY MR. LIKE:

Q Was he the chief of the Biological Services in January of 1976?

A Yes, I believe he was.

MR. LIKE: I will ask the document consisting of three pages, a letter dated January 7, 1976, from Allan Hirsch to Frank E. Clarke, Chairman, Outer Continental Research Advisory Group, be marked for identification and shown to Mr. Hughes.

(Plaintiffs Exhibit No. 22 was marked for identification.)

THE WITNESS: I don't specifically recall ever having seen this letter.

BY MR. LIKE:

Q In your capacity as coordinator of the Outer

[REDACTED] 3
[REDACTED]

1 Continental Shelf leasing program, did there come to your
2 attention at any time prior to January 7, 1976 any concerns
3 such as those expressed in Mr. Hirsch's letter to Frank Clarke,
4 dated January 7, 1976? 2031

5 A There was over the period that I was the coordinator
6 for the OCS program a continuing discussion about the nature
7 of the baseline study program.

8 Q Were there criticisms that came to your attention
9 over the scope, design or quality of the baseline studies
10 program?

11 A Yes, sir.

12 Q What were the criticisms that came to your attention
13 and by whom were they expressed?

14 A They were criticisms expressed inside the Department
15 primarily by the Assistant Secretary for Fish and Wildlife
16 and his agency, the U.S. Fish and Wildlife Service. There were
17 criticisms from outside the Department by some environmental
18 groups and State agencies concerning the need to totally com-
19 plete the baseline study program prior to decisions being made
20 to lease or not lease in a given proposed area.

21 Q Tell us to the best of your recollection what the
22 Fish and Wildlife Service said by way of criticism of the
23 baseline studies program.

24 A In their professional capacity, they felt it
25 necessary to have more information over a longer period of time

1 [REDACTED] and completed studies prior to a decision to lease leases,
2 modified or not at all, in a given area.

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1 Q What type of additional information did they say ought
2 to be acquired and over what period of time? 2033

3 A It varied from area to area. They basically quarrelled
4 with the idea of the benchmark being adequate for environmental
5 studies from their professional viewpoint.

6 Q What did they say was inadequate about the benchmark
7 study from their professional viewpoint?

8 A As I best remember it centered on the cyclical nature
9 of biological and other marine life that lived in given areas.
10 They felt a longer period of time was necessary in terms of
11 data collected before a judgment should be made to lease or
12 not lease in a given area.

13 Q Did they indicate what period of time should be ob-
14 served with respect to the collection of data before decisions
15 to lease were made?

16 A To the best of my recollection, it varied from area
17 to area. The Atlantic had different types of biological con-
18 siderations than the Gulf of Alaska.

19 Q What did they say regarding the Atlantic?

20 A I don't recall.

21 Q Would there be a document of some type in the Depart-
22 ment of the Interior---

23 MR. HYMAN: Are you asking this witness?

24 MR. LIKE: Yes.

25
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2034 BY MR. LIKE:

Q Could you tell us where we would have to inquire to determine if there is a document setting forth with some degree of specificity the Fish and Wildlife Service's critique of the benchmark for baseline study for the Atlantic?

Do you know whether or not the Fish and Wildlife is concerned with the adequacy of baseline study programs and did they set down anything in writing?

A To the best of my recollection, their position was reflected in meetings. I am aware of the concerns they have exhibited, but I don't know a specific document that laid it out in a comprehensive fashion.

Q Do you recall being present at one or more meetings?

A It is difficult to answer because I probably attended 50 to 100 meetings the year I was Coordinator.

Q In that cluster of meetings, do you recall being at one or more meetings where the Fish and Wildlife Service presented its position as to the inadequacy of the baseline study?

A Specific individuals from the U. S. Fish and Wildlife Service or the Assistant Secretary for Fish, Wildlife and Parks would normally represent a concern at either the baseline program or the proposed action under consideration or a combination of the two. It is hard for me to separate out a specific meeting where a specific objection was raised.

Q Were the objections that were voiced and that you

1 heard similar to those expressed in Plaintiffs' Exhibit 22,
2 the letter from Hirsch to Clarke? 2035

3 A It is a difficult question to answer. I think gen-
4 erally they were concerned about the adequacy of the baseline
5 study program.

6 Q You have had a chance to read this letter and I will
7 ask you to again look at it and see whether or not this re-
8 freshing of your recollection helps you to determine whether
9 the specific concerns articulated by Fish and Wildlife as to
10 the inadequacy of baseline studies are similar to those ex-
11 pressed in the letter.

12 MR. HYMAN: Is this the letter from Fish and Wild-
13 life Service?

14 MR. LIKE: Chief of the Biological Services.

15 MR. HYMAN: What year are you talking about?

16 MR. LIKE: I am talking about the 50 to 100 meetings
17 Mr. Hughes says he attended during which time OCS subjects
18 were discussed.

19 THE WITNESS: To the best of my recollection, the
20 arguments offered here are representative of the Fish and Wild-
21 life's concern about the baseline study.

22 BY MR. LIKE:

23 Q Aside from the Fish and Wildlife Service, did their
24 come to your attention in your capacity as Coordinator any
25 criticisms of the adequacy of the baseline studies or benchmark

1 studies program from other government agencies such as the
2 Environmental Protection Agency, the National Marine Fisheries
3 Service or NOA---

4 MR. HYMAN: Or CEQ.

5 THE WITNESS: To the best of my recollection, all of
6 those agencies expressed some concern.

7 CEQ, as we got into the proposed Alaska sale, was
8 concerned about the adequacy of the baseline study.

9 BY MR. LIKE:

10 Q Were those concerns similar to the concerns expressed
11 in Mr. Hirsch's letter, Exhibit 22?

12 A To the best of my recollection, there was a basic
13 difference of opinion in the baseline program between this
14 Department and other agencies.

15 Q The basic difference of opinion was between the
16 Department of the Interior, the Bureau of Land Management,
17 specifically?

18 A The Department of the Interior operated a baseline
19 study program. Its agency was the Bureau of Land Management.

20 Q Who was the difference of opinion between as to the
21 adequacy---

22 MR. HYMAN: He did not say adequacy as to the nature.

23 MR. LIKE: I will rephrase my question.

24 BY MR. LIKE:

25 Q Tell us first what the difference of opinion was and

1 who were the parties who held different views with respect to
2 the issue? 2037

3 A The Department of the Interior in its OCS leasing
4 program goes through a deliberative 14-point process to write
5 an environmental impact statement which lays out and certainly
6 within the requirements of the NEPA Act environmental impacts.
7 It has been the Secretary's position in this Department at least
8 during the period of time I was the Coordinator for this program
9 that until such environmental judgments could be made as laid
10 out in that document that the decision to proceed with the
11 leasing could not and would not be undertaken.

12 The baseline study program as an additive program
13 agreed to by this Department in order to establish a benchmark
14 of biological and other type data that existed in a given
15 water column so that over a period of years that benchmark
16 could be referred back to and subsequently decisions to increase
17 leasing and oil or drilling in a given area could be modified so
18 as to take into account changes which have been made.

19 The baseline study was never intended---

20 Q Just a moment.

21 MR. HYMAN: Let him finish. He is answering.

22 BY MR. LIKE:

23 Q I don't want you to lose sight of the question but,
24 again, under the admonition we want to get through today and
25 go to court tomorrow, I am going to try to give you questions

1 that are specific enough to answer responsibly without need of
2 a preamble. 2038

3 You have said there was a difference of opinion as to
4 what the baseline study should be.

5 A I was trying to explain the difference of opinion.

6 Q First tell me who were the agencies who had the
7 differences of opinion?

8 MR. HYMAN: Or people in the agency, not necessarily
9 agencies.

10 BY MR. LIKE:

11 Q You have indicated the Fish and Wildlife Service
12 had a particular viewpoint with respect to baseline studies.
13 Was that view different than the viewpoint of the Bureau of
14 Land Management?

15 A Yes.

16 Q Were there any agencies that you know of who also
17 differed with the viewpoint of the Bureau of Land Management
18 with respect to the proper scope and design of baseline studies?

19 A Inside the agency.

20 MR. HYMAN: You just know about purpose. You don't
21 know about scope.

22 THE WITNESS: I can't testify to the scope of the
23 differences.

24 BY MR. LIKE:

25 Q At the moment, if you want to limit your answers in

1 terms of purpose, that is okay.

2039

2 Now, within the Department of the Interior, other
3 than the Fish and Wildlife Service, were there any other offices
4 or units that differed with the Bureau of Land Management with
5 respect to the purpose of baseline studies?

6 A I can't specifically recall any others.

7 Q At the moment, all you can recall is the Fish and
8 Wildlife Service?

9 A That is correct.

10 Q Outside the Department of the Interior, you have
11 identified the Environmental Protection Agency, the National
12 Marine Fisheries Service, NOA---

13 MR. HYMAN: He didn't say anything about NOA. Did
14 you say anything about NOA?

15 THE WITNESS: It was included in the group.

16 BY MR. LIKE:

17 Q You indicated that group also had a viewpoint with
18 respect to baseline studies and the purpose of baseline studies;
19 is that correct?

20 A They expressed concern over the baseline study pro-
21 gram.

22 Q Would you say there was a difference of opinion between
23 the agencies I have just mentioned -- EPA, NOA, NMFS and the
24 Bureau of Land Management -- as to the purpose of baseline
25 studies?

1 A I can't answer it that simply yes or no because it
2 varied from agency to agency as to their view.

3 Q Was there a difference of opinion as between the
4 Bureau of Land Management and EPA with respect to the purpose
5 of baseline studies?

6 A I can only specifically recall with respect to the pro-
7 posed Alaska sale. There was a good deal of discussion with
8 respect to a good deal of difference of opinion.

9 Q Do you know of a difference between the mid-Atlantic
10 and North Atlantic?

11 A I can't specifically recall.

12 Q What was the difference of opinion with respect to
13 Alaska between EPA and BLM?

14 A Generally, EPA would have liked to have had longer
15 studies over a period of years with a greater collection of
16 samples.

17 Q Let's move on to NOA. Was there a difference of
18 opinion between NOA and the BLM with respect to the purpose
19 of baseline studies in any of the frontier areas?

20 A Yes, to the extent NOA wanted to take the program
21 over.

22 Q Aside from taking the program over, was there a
23 difference as to what the purpose of the study should be, the
24 period of time for collection of data, type of data to be col-
25 lected, and so forth?

1 A To the best of my recollection, they expressed sim-
2 ilar concerns about the period of time over which the program
3 collected the initial sampling. 2041

4 Q Did they give any reasons that you are aware of as
5 to why they wished to take the program over?

6 A Their reasons basically centered on a bureaucratic
7 fight for budget dollars. It was a \$50-million program.

8 Q Did they express anything about their professional
9 personnel having more professional capability of handling and
10 evaluating and designing baseline studies than the Bureau of
11 Land Management.

12 A They offered those arguments but, in fact, we contracted
13 with them for a good many parts of the program.

14 Q They offered those arguments?

15 A They offered those arguments.

16 Q Was there a difference of opinion between BLM and NOA
17 with respect to baseline studies in any of the frontier areas?

18 A I am not sure there was a difference as far as pur-
19 pose was concerned, but as to the purpose, yes.

20 Q What was the difference between BLM and NOA as to
21 how the program was to be carried out?

22 A NOA was generally supportive of arguments made by
23 the States and the environmental groups that the program ought
24 to be operated over a much longer period of time.

25 Q Did they give reasons for that position as to why it

1 should be operated over a longer period of time?

2 A Other than statistical accuracy, I can't recall any
3 specific reasons.

4 Q That leaves us with the category of others. Aside
5 from NOA, EPA and NMFS, were there other governmental agencies
6 that differed with BLM as to the purpose or the manner in
7 carrying out the studies.

8 A The President's Commission on Environmental Studies
9 expressed some concern.

10 Q Were their concerns similar to those voiced by the
11 other agencies you have identified?

12 Do you recall what the concerns were that were
13 expressed by the CEQ that put them in a position of differing
14 with the BLM?

15 A To the best of my recollection, they expressed similar
16 concerns.

17 Q Similar to whom?

18 A Similar to the other people who differed with the
19 Department over the purpose and adequacy of the baseline study
20 program.

21 Q Were you also indicating that certain States
22 differed with the BLM as to the purpose and adequacy of the
23 baseline study program?

24 A Yes.

25 Q Do you recall which States?

1 A Alaska, California, New Jersey and several of the New
2 England States. 2043

3 Generally, most of the States that were under con-
4 sideration for proposed leasing complained to one degree or
5 another about the baseline study program, confusing it with
6 the environmental impact statement process.

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BY MR. LIKE:

Q Was there a practice or a custom in the Department concerning the preparation of notices of sale in advance of proposed sale dates?

MR. HYMAN: Do you mean was it done?

BY MR. LIKE:

Q First, was there a normal practice?

MR. HYMAN: Ask him if he ever sold anything. What knowledge do you have?

MR. LIKE: First, I must know if -- he started to say, when he was interrupted, there was a practice here with respect to when a notice of sale is prepared.

MR. HYMAN: Let's get down to the basics.

MR. LIKE: I think I am at the basics. I am trying.

THE WITNESS: There was a practice in this Department following a decision by the Secretary to proceed with a sale as proposed or as modified, or not to proceed if in fact it was the two former conditions either as proposed or modified, the Bureau of Land Management was directed to prepare a sale for that given decision of the Secretary.

BY MR. LIKE:

Q Was this practice reflected in some manual or some policy statement setting forth exactly how you do it, when you do it, and what you do in regards to a notice for sale?

A I don't know for a fact. The procedure was laid down

1 in the Department manual.

2 Q Was this the practice that was followed while you
3 were in the Office of Program Coordination? 2045

4 MR. HYMAN: What was the practice.

5 MR. LIKE: He just testified what the practice was
6 a moment ago.

7 MR. HYMAN: Do you mean the Bureau of Land Management?

8 THE WITNESS: This was the practice followed during
9 my tenure as OCS program planning coordinator.

10 BY MR. LIKE:

11 Q Do you know with regard to other lease sales where
12 this practice was followed?

13 A To the best of my recollection, this practice was
14 followed on each lease sale during my time in the Department.

15 Q Do you know whether or not this practice was fol-
16 lowed in the case of Mid-Atlantic sale 40?

17 A No.

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1 A I don't recall that. As I recall, the President
2 just came back from California and just had a meeting with
3 Governor Brown so the discussion on the California sale was
4 a logical follow-up.

5 Q Mr. Frizzell also testified from time to time he had
6 discussions with Glen Schleede of the Domestic Council regarding
7 the OCS.

8 Did you ever have conversations with Mr. Schleede?

9 A Glen Schleede was the staffman for the Domestic
10 Council. The answer is yes.

11 Q Were these conversations between you and Mr. Schleede
12 held between September 29, 1975 ---

13 A Both before and after.

14 Q Do you recall on how many occasions you had discussions
15 with Schleede?

16 A On many occasions.

17 Q Many occasions?

18 A Yes.

19 Q Did you ever discuss with him the accelerated leasing
20 program?

21 A I can't specifically recall but I am sure I did.

22 Q Do you recall whether or not there were any written
23 communications between you and Schleede concerning the accelerated
24 leasing program?

25 A I can't specifically recall written communications.

1 Q Do you recall Mr. Schleede ever expressing an interest
2 in the decision to accelerate OCS leasing and when such decision
3 would be rendered?

4 A Mr. Schleede is an agent of the President's immediate
5 office, was interested in knowing what the time table was for
6 construction of the PDOD's circulation.

7 MR. HYMAN: Irving, you have a minute and one-half
8 and the man is then leaving.

9 BY MR. LIKE:

10 Q When was the last conversation you recall you had
11 with Schleede before September 26, 1976 at which there was a
12 discussion of accelerated leasing?

13 A I couldn't recall.

14 Q Was it sometime after August, 1975?

15 A I can't specifically recall. I talked to Schleede
16 regularly.

17 Q What was said by you or him about accelerated leasing
18 when you spoke to him on one or more occasions?

19 A It was basically the discussions where discussions
20 in the context of my keeping him advised of where we were in
21 the process.

22 Q What did he say to you and what did you say to him?

23 MR. HYMAN: Can you be more specific?

24 MR. LIKE: He said he spoke to him on many occasions
25 and in some of those instances Mr. Schleede expressed interest

1 in accelerating leasing I am asking him if he can recall
2 what was said by him without your characterizing it.

3 THE WITNESS: I cannot remember specific conversations.

4 MR. HYMAN: Did he ever tell you the President wanted
5 the sale?

6 THE WITNESS: The President was interest in accelerating
7 the leasing sale assuming all the lights were green in the
8 process, if in fact the environmental factors, all the factors,
9 all the process we observed in this 14-month process turned
10 green, the President certainly recognized that the CCS program
11 was certainly an integral part of the Energy picture in this
12 country and could in fact become an even bigger part.

13 BY MR. LIKE: He did tell you the President indicated
14 an interest in the public leasing?

15 A The President stated it publicly.

16 Q Did he ever tell you the President was interested in
17 accelerating the leasing program?

18 A I can't specifically recall that he told me. I am
19 sure he did but I can't recall an occasion.

20 MR. LIKE: It is 5:00 o'clock.

21 Thank you very much.

22
23 _____
(Signature of Deponent)

24 [Whereupon, at 5:00 p.m., the taking of the deposition
25 was concluded.]

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK



THE STATE OF NEW YORK and THE NATURAL
RESOURCES DEFENSE COUNCIL, INC., et al.,

Plaintiffs,

vs.

76 CIV 1229 (JBW)

THOMAS S. KLEPPE, Secretary of the
Interior, et al.,

Defendants.

Deposition of KENT FRIZZELL

WASHINGTON, D. C.

WEDNESDAY, JULY 31, 1976

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INDEPENDENCE REPORTING, INC.
OFFICIAL REPORTERS
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Washington, D.C. 20003
(202) 547-1005

1 Q And your calendar does not contain any such notation
2 such a meeting was scheduled on September 26?

3 A That is correct.

4 Q When did you leave the department on September 26?

5 A I do not know.

6 I would assume that I left it in advance of my 7:30 p.m.
7 dinner engagement that night.

8 Q Do you recall whether you took with you on September
9 26 when you left the building at 18th and C Streets the pro-
10 gram decision-option document or the memorandum of September
11 26, 1975, Plaintiff's Exhibit No. 12 for identification?

12 A I took those items plus several others to review over
13 the weekend in advance of the new week commencing on the 29th.

14 Q Do you recall what items you took, specifically, over
15 the weekend?

16 A My recollection is that I took the package of material
17 that was delivered to me on the 26th of September which would
18 have included the memorandum of September 26, from Assistant
19 Secretary for Program Development and Budget, Roy Hughes, on
20 the subject of program decision-option document on proposed pro-
21 gram to accelerate leasing on the Outer Continental Shelf.

22 Q That is Plaintiff's Exhibit No. 12 for identification?

23 A That is correct and the attachments thereto in addition
24 to his memo.

25 His memo is a five-page written memo which summarizes the

1 background including insecure and expensive oil imports, all
2 environmental impacts, including marine organisms, wetlands
3 and beaches, air quality deterioration, interference with com-
4 mercial fishing ---

5 Q Would you look at Plaintiff's Exhibit No. 12 for identi-
6 fication and take a moment to compare it with the document you say
7 was in the package, tell me if what you had was the same Septem-
8 ber 26, 1975. memorandum, which is marked No. 12 for
9 identification?

10 A That was part of the package but not all, but this
11 was included.

12 Q So, Plaintiff's Exhibit No. 12 for identification was
13 one of the documents included in the package?

14 A Yes.

15 Q Can you tell us what additional items were included in the
16 package?

17 A Yes, attached thereto or in addition to that exhibit,
18 No. 10 was the actual full-length programmatic program decision-
19 option document on the OCS accelerated leasing program prepared
20 by the Office of the Outer Continental Shelf, program coordina-
21 tion, dated September 1975.

22 Q May I see that document?

23 A You may.

24 There was also an exhibit attached thereto entitled Table
25 No. 3, estimates of average annual oil spill volumes based on

1 throughputs spill rates over the life of the field.

2 2052 MR. HYMAN: While the reporter is waiting, please note
3 the two gentlemen who came in after the deposition started.

4 MR. FIAMMA: Stephen Fiamma.

5 MR. CONNORS: John Connors.

6 MR. HYMAN: Identify yourself for the record.

7 MR. FIAMMA: We are law interns in the Nassau Attorney
8 Office.

9 THE WITNESS: May I continue?

10 BY MR. LIKE:

11 Q You identified Table No. 3, consisting of how many
12 pages?

13 A The table itself is one page and, then, there is a
14 three-page explanation of Table No. 3 attached thereto.

15 Q May I see it, please?

16 Before you continue, Mr. Frizzell, I note that the Table
17 No. 3, which you have given me, bears a notation in the right-
18 hand corner which reads, "No. 9, Identification No. 7/14/76."

19 Are you aware that that is an identification number of an
20 exhibit marked in this proceeding?

21 A No, I was not aware of that.

22 Q Is the document which is in your possession now marked
23 Table No. 3, the document which you had in your package or a copy
24 of the document which you had in your package?

25 A Which I have, or had ---

2053

1 A No, sir.

2 Q Is your answer the same with respect to option 3?

3 A That would be generally true.

4 Actually there were four options on the decision
5 document -- "other" -- the first three that are listed plus
6 any "other."

7 Q And your answer would be the same with respect to
8 any other?

9 A Yes.

10 Q You took this package home with you on the 26th
11 which was a Friday, is that right?

12 A Definitely yes to your question, but I want to say
13 there may have been materials in addition thereto.

14 Q Do you recall any such additional materials at
15 the present time?

16 A No, but I am confident that considering my duties
17 at that time that there were other pressing issues other
18 than a decision meeting on accelerated OCS proposal coming
19 up on Monday that would have necessitated me taking home
20 other materials unrelated to this issue.

21 Q Do you recall, in fact, you did take home other
22 materials unrelated to this issue?

23 A I do not recall in fact, but I am confident that
24 such, in fact, occurred.

25 Q Do you recall what other pressing issues engaged

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Q You don't recall the arguments that were either made on September 29 or that you had heard about before September 29 as to the issue of separating exploration and production?

A No. You see, as Solicitor many of the policy issues, of which this would be one, were not within my province. That was the program people including the Secretary, the Under Secretary, the Assistant Secretaries in the particular program areas. I naturally get subjected to some of that by attending meetings, ^{by} ~~by~~ sitting around the secretarial luncheon room, the secretarial breakfast, but as Solicitor I don't sit down and mull over, get a memorandum from the Solicitor's staff. We are involved only when legal issues affecting a policy issue emerge.

Q On September 29, 1975 would you say that you had only a slight familiarity with the pros and cons of separating exploration and production?

A I had the familiarity of that written material that was presented to me on the 26th of September plus a general knowledge of the issues acquired theretofore as a result of being around the Department for three years.

Q I would like you to characterize what you mean by a "general knowledge" of that issue acquired by being Solicitor and being around the Department. What did you know about the issue on September 29, 1975?

A I knew that there were proponents of separating

1 exploration from development.

2 Q Did you know what the arguments were that were
3 advanced by the proponents who favored separating exploration
4 and production?

5 A Not in any specific detail.

6 Q Did you know what the arguments were generall speak-
7 ing?

8 A No, other than the issue existed. Of course, as I
9 say, the memorandum given to me has that issue discussed on
10 September 26 and it was discussed verbally at the 29th meeting.

11 Q Were you familiar with the views of the Council on
12 Environmental Quality on or prior to September 29, 1975 con-
13 cerning the issue of separation of exploration from production?

14 A Did they not comment ~~in the EIS~~ on the ZIS? I
15 think they did and I think their comments went to that issue.
16 I don't recall specifically.

17 Q Do you recall reading the comments of the CEQ on that
18 issue before September 29, 1975?

19 A I would have to refresh my recollection and see their
20 comments.

21 Q You are now looking at Exhibit 2 for identification in
22 order to refresh your recollection as to whether or not com-
23 ments were made on the subject of separating exploration and
24 production.

25 MR. HYMAN: Only for the CEQ. Please feel free to

1 Not because I was involved in the policy program end of it,
2 but because I was at that time the second-ranking official in
3 the Department as Solicitor and I was invited to the dinner.
4 I sat next to the Lieutenant Governor of Massachusetts, whose
5 father's name is O'Neill, who is well known, but no one at
6 that social gathering mentioned separation and development.

7 It was a very casual knowledge of the issue.

8 Q Was Mr. McKelvey or a representative of the Geological
9 Survey also present on September 29, 1975?

10 A To the best of my recollection, yes.

11 Q Would you please look at the attachment to Mr. McKel-
12 vey's memo, dated September 24, 1975, containing his comments
13 on the decision memorandum for proposed acceleration?

14 A Give me some help. I see his cover letter and four
15 pages attached. Do you want me to look at the whole thing or
16 specifically one area?

17 Q Let's start with the first page over the comments.

18 Was there a discussion at the meeting of September 29
19 of the comments presented by Mr. McKelvey?

20 A What I am looking at, ~~the~~ page 1 of the attachment,
21 do you mean?

22 Q Yes, sir, the first page of comments.

23 A To the best of my recollection I don't recall com-
24 ments on items 1 and 2 on that page being verbally discussed at
25 the September 29th meeting. They may well have been or his

rc12 1 heating up. I had numerous conversations with Roy Hughes about
2 it, about OCS proposed lease-sale in Southern California. I
3 recall telephone conversations and whether it was this period
4 of time or in close proximity thereto, meeting with officials
5 of California that Governor sent back here from the State of
6 California. I remember talking to Mr. Hughes about it, setting
7 a schedule for him to go out and see Governor Brown and his
8 officials, I remember talking to the White House about setting
9 up meetings with California officials and making sure that
10 everything we knew and proposed was shared with the State
11 officials.

12 Q With whom in the White House did you speak during
13 that period concerning OCS leasing?

14 A Two persons, and if you would allow me, I will go to
15 the last two entries in my calendar for that month of September
16 22 and 23 because they are the written memorandum reinforces
17 my recollection.

18 On Monday, September 22, I have in my own handwriting
19 in parenthesis, a note to myself that just merely says, "Rums-
20 feld, re: California OCS."

21 Q All right.

22 A Again on that same date, I have a similar note in
23 parenthesis, saying "Call Rumsfeld, re: OCS."

24 The following day, on September 23, I have a memo in
25 my own handwriting in parenthesis that says, "Rumsfeld, re:

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1 Have you now covered all of the diary entries between --
2 for the month of September concerning the OCS?

3 A I have, sir. The 3rd, 19th, 22nd and 23rd. And you
4 are welcome to have copies of them if you would like.

5 Q Other than the conversations which you have related
6 with President Ford and the conversations with Mr. Rumsfeld,
7 did you have any communication with any official in any of the
8 offices of the Executive Department concerning OCS leasing and
9 as examples of offices of the Executive Department, specifically
10 I would include the Office of Management and Budget; the Domestic
11 Council ---

12 A Any others?

13 Q The Energy Policy Office.

14 A Energy Resource Council?

15 Q Energy Resource Council, yes, or any other office
16 within the White House or the Executive Department concerning ---

17 MR. HYMAN: Do you include CEQ?

18 MR. LIKE: CEQ is certainly an office within that
19 department.

20 BY MR. LIKE:

21 Q Concerning accelerated OCS leasing prior to September
22 29, 1975 by communications ---

23 MR. HYMAN: Now, you personally, not anyone on your
24 staff but you personally, and if you do have any recollection
25 with whom or what was said?

2059

1 didn't say anything about leasing.

2 BY MR. LIKE:

3 Q Did you ever speak to him about OCS leasing?

4 A I feel confident here again that in the natural course
5 of our conversations about natural resource matters, Glen
6 Schleene no doubt would have asked a similar question as Jim
7 Mitchell, "How are you coming on OCS?" And I would have told
8 him where we were, a status quo of when the draft final EIS's
9 were in what stage of preparation, and so on, what a tentative
10 lease schedule was, those types of things but nothing specific
11 that I can recall.

12 Q You can recall discussing with him OCS leasing
13 schedules?

14 A No, sir. I should amend that because here again I
15 am speculating, trying to be truthful with you. You may have
16 those types of things may have been mentioned but I am specu-
17 lating. I don't want to say "No, I never had a conversation
18 with Glen Schleede," because it is likely that I did.

19 MR. HYMAN: But you have no present recollection of
20 what you discussed?

21 THE WITNESS: No, sir.

22 MR. HYMAN: And what you just said is that it could
23 have been discussed.

24 THE WITNESS: It borders on speculation. It could
25 have been discussed.

1 to get his questions asked and I think I have a right of
2 cross examination, too, so I think that maybe you should get
3 to the important stuff.

4 MR. LIKE: I intend to give Mr. Bialik an opportunity
5 to ask questions.

6 MR. HYMAN: What about Mr. Hyman?

7 MR. LIKE: We discussed that. And you as well.

8 MR. HYMAN: With the 12:00 o'clock deadline in mind.

9 MR. LIKE: And with your cooperation.

10 MR. HYMAN: I am trying to cooperate.

11 BY MR. LIKE:

12 Q Mr. Frizzell, do you recall when you signed the
13 decision memorandum electing option number one?

14 A I recall at the end of the meeting on September 29th,
15 1975, after hearing full discussion of the issues presented
16 by several and all parties present that at the end of the
17 meeting I verbally announced what my decision was and then
18 signed option one.

19 Q And do you recall what time the meeting ended?

20 A Not specifically, no.

21 Q What is your best recollection?

22 A Some time around, prior to noon.

23 MR. ZIMMERMAN: Prior to noon?

24 THE WITNESS: Prior to noon.
25

2061

1 A In undergraduate school?

2 Q Yes.

3 A No. Public speaking. I majored in speech in
4 undergraduate at Northwestern University prior to getting a
5 degree from Friends University.

6 Q Now, prior to or during September 29, 1975, do
7 you recall having any discussion with other members of the
8 Interior Department about whether or not to circulate the
9 final programmatic environmental statement for comment and
10 public hearing?

11 MR. HYMAN: Final programmatic ---

12 MR. BIALIK: By FEA.

13 MR. HYMAN: The final?

14 THE WITNESS: Yes. I did have such conversations.

15 BY MR. BIALIK:

16 Q Was there more than one such conversation?

17 MR. HYMAN: Well, you better ask him in what
18 capacity he had those conversations, as the Secretary or
19 Solicitor.

20 MR. BIALIK: No, let's first find out how many we
21 are talking about.

22 THE WITNESS: I am sure there was more than one.

23 BY MR. BIALIK:

24 Q And do you recall what the time period was?

25 A No, sir.

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1 Q Well. ---

2 A Prior to September '75?

3 Q Did some such conversations occur while you were
4 Acting Secretary?

5 A Undoubtedly.

6 Q Do you recall with whom you had these conversations?

7 A No, not an exclusive list, others I can't specific-
8 ally recall, but I do specifically recall discussing the
9 issue with Roy Hughes, Assistant Secretary; with Dave Lindgren,
10 my Deputy Solicitor; and I feel confident that other program
11 Assistant Secretaries involved or affected by such a decision
12 would have been consulted and also in on the conversations.

13 Q Was a decision reached on whether or not to
14 circulate the program FEA for comment and public hearing?

15 A Yes.

16 Q Can you tell us approximately when that decision
17 was reached?

18 A Sometime in the early part of July to the best of
19 my knowledge and recollection.

20 Q Who made that decision?

21 THE WITNESS: Would that be it?

22 MR. HUGHES: Just for the record the final statement
23 was published on July 11, 1975, and it would take some time
24 at the printers so it must have been before that.

25 THE WITNESS: It could be as early as May.

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1 BY MR. BIALIK:

2 Q That the decision was made?

3 A Yes.

4 Q Who made the decision?

5 A My recollection is that I did.

6 Q Do you recall if any of the people with whom you
7 discussed this issue urged that you decide to circulate
8 that document for comment and hearing?

9 A Had that I circulate it?

10 Q Yes.

11 A Yes, there were those. There were people on both
12 sides of the issue, those who urged me to and those who urged
13 me not to.

14 Q And do you recall the names of any people who urged
15 that you circulate that document?

16 A My recollection is that one of the proponents was
17 Roy Hughes and Dave Lindgren, and an Assistant Solicitor
18 by the name of Bohlke.

19 Q How do you spell that?

20 MR. HUGHES: B-o-h-l-k-e to the best of my recollec-
21 tion.

22 THE WITNESS: B-o-h-l-k-e.

23 BY MR. BIALIK:

24 Q And do you recall who, if anybody, urged you to
25 decide against circulating it?

1 MR. HYMAN: Would it be an urging or a recommendation?

2 MR. BIALIK: Call it a recommendation then.

3 THE WITNESS: I don't recall who, if anybody -- who
4 the spokesman on that side of the issue was.

5 BY MR. BIALIK:

6 Q Do you recall if there were a spokesman on that
7 side?

8 A I remember debating the merits of it so there must
9 have been somebody on that side of the issue.

10 Q Do you recall what arguments were presented to
11 you in favor of circulation?

12 A Not specifically at this time, with the time lapse,
13 no.

14 Q Was any recommendation to circulate made to you
15 in writing?

16 A Not that I recall. There could well have been.
17 There could have been a briefing memo. The best I remember
18 was, in fact, the rationale for the ultimate decision on my
19 part and that was: "what harm can there be in doing so."

20 Q In circulating it?

21 A Yes, and thereby obtaining legitimate comments of
22 the public and interested parties.

23 Q And do you remember if there was any argument on
24 the other side?

25 A I remember it was an issue, it was just not "let's
do it." Therefore, there had to be somebody on the other

35
1 side, but I don't recall what it was.

2 Q Forgetting about who it was ---

3 A -- or the arguments therefor.

4 I also remember it was essentially a legal ques-
5 tion as opposed to a policy question.

6 Q Now, you have in the stack of papers before you
7 the final program PDOD, do you not?

8 A Yes, sir, a copy thereof.

9 Q Right.

10 Did you read that document word-for-word?

11 MR. HYMAN: I direct the witness not to answer. It
12 was asked by Mr. Like and answered on three occasions.

13 MR. BIALIK: It was not asked.

14 MR. HYMAN: It was asked by Mr. Like and answered
15 on three occasions. He testified that he read the documents.
16 And he specifically read the PDOD.

17 MR. BIALIK: What I am asking is whether it was
18 read word-for-word page-for-page as opposed to being reviewed.

19 MR. HYMAN: He testified that he read it word-for-
20 word, page-by-page, the only thing that he didn't read page-
21 for-page was the appendix table 3 and that he reviewed. I
22 remember it. You want to go over the testimony and see it
23 again? We got it right before us and you have it right on
24 your desk and you can confirm it with Mr. Like.
25

1 BY MR. BIALIK:

2 Q I think --

3 A I would be pleased to answer the question.

4 MR. HYMAN: I don't want you to answer again.

5 MR. LIKE: Ask him if he adopts the statement by
6 Mr. Hyman?

7 BY MR. BIALIK:

8 Q Do you adopt the testimony of Mr. Hyman?

9 MR. HYMAN: I did not testify. I am a lawyer here,
10 I represent a client. I made no statement. If you want to
11 waste time we'll go through the record where Mr. Like asked
12 the exact question and he answered.

13 MR. BIALIK: You direct him not to answer?

14 MR. HYMAN: No, I did not.

15 MR. BIALIK: Then I want an answer.

16 THE WITNESS: I adopt the statement of my counsel
17 that neither did I read word-for-word ---

18 MR. HYMAN: He is talking about the PDOD.

19 THE WITNESS: The PDOD, I read word-for-word.

20 BY MR. BIALIK:

21 Q What about the decision memorandum?

22 A Yes, word-for-word.

23 Q And you did not read word-for-word Exhibit 2?

24 Is that correct?

25 A That was my earlier testimony.

1 Q Well, is it correct?

2 A And it is correct.

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3 Q And Exhibit 3 also word-for-word?

4 A That's true.

5 Q Do you wish to -- well, withdrawn.

6 MR. HYMAN: Does he wish to what, change his testi-
7 mony?

8 MR. BIALIK: Withdrawn.

9 MR. LIKE: There is no question, he withdrew.

10 MR. HYMAN: I didn't hear the second part. Sorry.

11 BY MR. BIALIK:

12 Q As of September 29, 1975, was it part of the data
13 available to you that the price of oil for Americans would
14 be cheaper if the accelerated OCS program was adopted?

15 Can you answer the question without referring to
16 any document?

17 A To the best of my recollection, there was data
18 in the documents available to me that at least would infer
19 your premise, not perhaps in the words you stated.

20 Q Okay.

21 In those words or in substance, and I am not trying
22 to ---

23 A Yes.

24 Q Okay. Was it part of the data that you had on
25 September 29, 1975, that imposed conservation measures would

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BY MR. LIKE:

Q At any time before September 29, 1975, did you receive any information as to how much acreage would be offered for lease sale pursuant to the six sale proposal?

A No, because that would have depended on nominations and impact statements being filed.

Q Coming back again to the meeting on September 29, was there any discussion as to any estimates by the Department of the amount of acreage that was anticipated to be leased as the result of the six sale proposal and that is as distinguished from offered for lease?

A Not to my recollection.

Q Did any information come to your attention before September 29, 1975, as to the Department's estimates of the amount of acreage to be leased pursuant to the six sale proposal?

A Not to my recollection.

Q Was there any discussion at the September 29, 1975, meeting or prior thereto of assumptions as to the amount of acreage to be offered or the amount of acreage to be leased in future nominations and bids?

A Other than in general reference of area, possible sales in an accelerated leasing schedule, no reference to amounts of acreage were discussed to my recollection.

MR. LIKE: Let's have that answer reread, please.

1 A Well, if I may refresh my recollection from my notes
2 as you have just done from them, could I see that exhibit,
3 please?

4 Q Certainly.

MR. BIALIK: It is exhibit 11.

6 [Documents provided to the witness.]

7 THE WITNESS: According to my handwritt notes
8 which are a result of a briefing that I received yesterday ---
9 no, the day before yesterday, by the Solicitor's Office,
10 as a result of information obtained from them, I have written
11 the 10 million acre goal was abandoned by the Department of
12 Interior in November of 1974. It was later deleted.

13 BY MR. LIKE:

14 Q When it was abandoned in November of 1974, it was
15 replaced, was it not, by the so-called six sale proposal;
16 is that right?

17 MR. HYMAN: Do you know?

18 THE WITNESS: That's what my notes reflect as a
19 result of the briefings from the Solicitor's Office.

20 BY MR. LIKE:

21 Q All right.

22 Do you know how many acres ---

23 A I don't know that they briefed me accurately, you
24 understand, but these are my notes.

25 Q Do you know how many acres were contemplated to be

1 offered for lease under the six sale proposal which replaced
2 the 10 million acre target?

3 A No, because to my knowledge there never were any
4 acreage amounts assigned to any of those such six sale pro-
5 posals.

6 Q Was there up to September 29, 1975, so far as you
7 know, any acreage target assigned to the six sale proposal?

8 A Not to my knowledge.

9 Q Are you familiar with a document which is entitled
10 "Report to the Congress, Outlook for Federal Goals to
11 Accelerate Leasing of Oil and Gas Resources on the Outer
12 Continental Shelf, Department of the Interior, Federal Energy
13 Administration, by the Comptroller General of the United
14 States," dated March 19, 1975?

15 A No, I am not familiar with it.

16 Q In your capacity as Acting Secretary, did you ever
17 have any contact with any representatives of the Comptroller
18 General's Office or the General Accounting Office with respect
19 to the accelerated leasing program?

20 A Which agencies?

21 Q The General Accounting Office, Comptroller General?
22 GAO and the Comptroller General? With respect to the acceler-
23 ated leasing program?

24 A Not to my recollection.

25 Q Are you familiar with the September 18, 1974, Carter

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

THE STATE OF NEW YORK and THE NATURAL :
RESOURCES DEFENSE COUNCIL, INC., et al., :

Plaintiffs,

vs.

THOMAS S. KLEFFE, Secretary of the
Interior, et al.,

Defendants.

Deposition of KAREN ELLIOTT HOUSE

WASHINGTON, D. C.

WEDNESDAY, JULY 21, 1975

P R O C E E D I N G S

MR. BIALIK: On the record.

Whereupon,

KAREN ELLIOTT HOUSE

was called for examination by counsel for the plaintiff State of New York and, having been first duly sworn by the notary public, was examined and testified as follows:

MR. BIALIK: Let the record show that Mr. Hyman announced that there will be no stipulations for this deposition.

MR. HYMAN: That is a fair statement.

DIRECT EXAMINATION

BY MR. BIALIK:

Q Ms. House, are you a reporter for the Wall Street Journal?

A Yes, sir.

Q And is that here in the Washington, D. C. office?

A Yes.

Q I show you what appears to be page 2 of the Wall Street Journal, dated Thursday, June 17, 1976, and refer you to an article in column 3 ---

A June 13?

Q Excuse me, June 17, 1976.

And I refer you to an article with the headline

"U.S. Sets First Sale of Oil Gas Leasing in Alaska"

BEST COPY AVAILABLE

1 17" and I ask you if you can identify that article. 2073

2 A As what?

3 Q Well, have you ever seen it before?

4 A Oh, yes.

5 Q And are you the author of that article?

6 A Yes.

7 MR. BIALIK: May I ask that the page of the Wall Street
8 Journal be marked for identification as Exhibit 1.

9 (House Deposition Exhibit No. 1
10 was marked for identification.)

11 BY MR. BIALIK:

12 Q Now, the first paragraph which I would like to call
13 to your attention reads as follows.

14 MR. HYMAN: Wait a second. I assume she can read..

15 MR. BIALIK: Mr. Hyman, I am asking the questions.

16 MR. HYMAN: Can you read, Ms. House?

17 THE WITNESS: Yes.

18 MR. BIALIK: Mr. Hyman, when you cross-examine, you
19 cross-examine.

20 MR. HYMAN: It is your money.

21 BY MR. BIALIK:

22 Q It says, "The Interior Department set Aug. 17 for the
23 first federal oil and gas lease sale off the Atlantic Coast
24 but postponed sales of two other Atlantic tracts until 1977."

25 Can you tell us what that paragraph refers to? Or to

1 phrase it differently, can you tell us what the basis of the
2 statement in that paragraph is?

3 A A meeting between Secretary Kleppe and three reporters.

4 Q When did the meeting take place?

5 A June 16th.

6 Q Of 1976?

7 A 1976.

8 Q Where was it held?

9 A In the Secretary's office at the Interior Department.

10 Q And were you present?

11 A Yes, sir.

12 Q And can you tell us what other reporting services,
13 if you know, were present?

14 A UPI and the Washington Star.

15 Q Now, referring to this sentence I just read beginning
16 with the words "The Interior Department set Aug. 17 . . ." can
17 you tell us who at the Interior Department is referred to in
18 that sentence?

19 A Secretary Kleppe.

20 Q And can you tell us what he said at that meeting of
21 June 16, 1976, about a sale in the Atlantic?

22 MR. HYMAN: His exact words.

23 MR. BIALIK: Mr. Hyman, I am conducting the examina-
24 tion.

25 THE WITNESS: He said that the Department had decided

1 to hold the first hearing -- the first lease sale on August
2 17, and that the other two in the Atlantic were being postponed
3 for further environmental studies.

4 BY MR. BIALIK:

5 Q And did he identify at that meeting which area of the
6 Atlantic he was talking about in terms of the August 17th
7 lease sale?

8 A He asked one of his assistants, Mr. Knight, to go out
9 and check which particular area the sale was scheduled for.

10 Q And did he subsequently in the meeting state which area
11 that was?

12 A Yes, that it was the area off New Jersey and Delaware
13 rather than New England or Georgia.

14 Q Now, I show you what is page 49 of the New York Times,
15 dated Thursday, June 17, 1976, and refer you ---

16 A It is not June 13.

17 Q June 17th.

18 A Yes.

19 Q And refer you to columns 3 and 4 to a story headed
20 "Sale of Offshore Leases for Oil Drilling Slated." In small
21 print under the headline are the words "The Washington Star."

22 I ask if you have ever seen that Washington Star
23 report?

24 A I saw that story when it was in the Star, the after-
25 noon of June 16th, I think.

MR. BIALIK: Can we have that marked for identification as Exhibit 2.

(House Deposition Exhibit No. 2 was marked for identification.)

MR. ZIMMERMAN: Have you ever established that she saw that article?

MR. HYMAN: Let him establish what he wants.

MR. BIALIK: Will you let me ask my questions?

BY MR. BIALIK:

Q Would you glance, please, at the story in the New York Times and see if it is substantially similar to the story you recall from the Washington Star? I am not asking if it is word for word the same, but just if it is substantially similar.

A Yes, sir.

Q OK.

Now, I refer you to the first paragraph of this article which reads as follows: ---

MR. HYMAN: What article are you talking about, Mr. Bialik?

MR. BIALIK: The article on Exhibit No. 2.

MR. HYMAN: You mean the New York Times story?

MR. BIALIK: Mr. Hyman, Exhibit 2 has been identified.

MR. HYMAN: As the New York Times story?

MR. BIALIK: Mr. Hyman, you will see in the record

1 what it is. Here is Exhibit 2 (indicating).

2 BY MR. BIALIK:

3 Q "The first lease-sales to United States oil companies
4 of rights to drill for oil and gas off the Atlantic coastline
5 have been scheduled for Aug. 17 in New York City, Interior
6 Secretary Thomas S. Kleppe said today."

7 I ask you, is that a fair statement of your ---

8 MR. HYMAN: First of all, it is not a quote. You
9 identified it as a quote. It is a statement in a newspaper with-
10 out quotes.

11 MR. BIALIK: It is a quotation from Exhibit 2.

12 MR. HYMAN: Oh, that you quoted from?

13 MR. BIALIK: Mr. Hyman, the record is very clear on
14 this. I am quoting from Exhibit 2.

15 MR. HYMAN: I am not clear. I looked for the quote
16 and I didn't see the quote.

17 MR. BIALIK: I was quoting from the exhibit.

18 MR. HYMAN: Oh, you were quoting from the exhibit. I
19 think that is clear to me now.

20 BY MR. BIALIK:

21 Q Does the sentence I just read accurately reflect the
22 statement by Mr. Kleppe at the June 16, 1976 meeting that you
23 previously testified to?

24 A Yes, sir.

25 MR. BIALIK: I have no further direct.

CROSS-EXAMINATION

BY MR. HYMAN:

Q Is it Miss or Mrs.?

A Mrs. House.

Q Mrs. House. Ms. House or Mrs. House?

A Whichever.

Q OK. When did you first go to work for the Wall Street Journal?

A April 1974.

Q And before that what other reporting experience have you had?

A Working with the Dallas Morning News in Dallas and in Washington.

Q And have you had any training, academic training, in newspaper reporting?

A Yes, sir.

Q What school did you go to?

A The University of Texas in Austin.

Q And at this meeting on June 16th of '76 you identified that you were present, Mr. Kleppe was present, two other reporters were present; is that correct?

A Yes, sir.

Q And that would be -- well, do you recall the name of the two others?

A Roberta Hornig from the Star and a fellow from UPI

1 whose name I don't recall.

2 Q How about Drew von Bergen of UPI?

3 A That is his name.

4 Q Do you know a reporter by the name of Stan Benjamin
5 from AP?

6 A Yes, sir.

7 Q Did you meet him in the building on that day?

8 A Not that I recall.

9 Q And also present was a public relations man or somebody
10 from the Director of Communications ---

11 A Yes.

12 Q Whose name was Ted Knight ---

13 A Tim Knight.

14 Q Tim Knight. And you were all invited to attend this
15 briefing, is that correct?

16 A Yes, sir, as well as some others, I think, who didn't
17 show.

18 Q And do you know who gave you your invitation?

19 A Mr. Knight called me.

20 Q He called you here at the Wall Street Journal?

21 A Yes, sir.

22 Q And when you were present in the Secretary's office,
23 do you know about what time you arrived?

24 A Just after 9:30.

25 Q And do you make it a habit when you have an interview

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1 or press briefing to take notes?

2 A Yes, sir.

3 Q And did you take notes at this press briefing?

4 A Yes, sir.

5 Q Do you have such notes?

6 A No, sir.

7 Q Where are they?

8 A I have not been able to find them.

9 Q Well, how do you take your notes?

10 A I generally take notes in a notebook. This particular
11 day I had been to an 8 o'clock breakfast that morning, going
12 straight from home and I did not have a notebook. I was taking
13 notes on a piece of white paper.

14 Q And is it fair to say that you -- when you took notes
15 at this meeting -- well, where did you get the paper to take
16 the notes on? Borrowed it ---

17 A No, sir, I carry a red bag overly stuffed with
18 various things, including paper.

19 Q About what size piece of paper was this piece of paper
20 you are talking about?

21 A Typing paper, 8 by 10.

22 Q Lined or unlined?

23 A Unlined.

24 Q How many pieces did you have?

25 A I don't recall.

1 Q How many pieces did you use to take notes?

2 A A couple.

3 Q And how long did the meeting last?

4 A It lasted about an hour.

5 Q And I -- did you use both sides of the typing paper,
6 the two pieces of 8 by 10 paper, for notes?

7 A No, sir, I usually fold it in half.

8 Q Is it fair to say that you did not take a verbatim
9 transcript of everything that was said at that meeting?

10 A That is correct.

11 Q And that you -- that the notes consisted of those
12 notes that you were interested in, is that correct?

13 A Yes, sir.

14 Q And things you were not interested in you didn't take
15 down, is that correct?

16 A Well, I tend to jot down every subject that comes up
17 in a meeting like that.

18 Q OK.

19 A I take notes on the ones that -- for example, what
20 was going to happen with extra oil coming to California, some-
21 thing I know I am going to write about.

22 Q I see. Now, the briefing took about an hour, I
23 think you testified?

24 A Yes.

25 Q And at any time during the briefing was the word

1 "environment" used?

2 A Yes, sir.

3 Q And try to reconstruct, if you can, in your own mind,
4 what was the first thing or the first topic discussed at 9:30
5 during the briefing. Was the Atlantic sale the first topic that
6 was discussed on that briefing?

7 MR. BIALIK: I don't think there was testimony that
8 the meeting started at 9:30.

9 MR. HYMAN: She said ---

10 THE WITNESS: We were kept waiting for five minutes.

11 BY MR. HYMAN:

12 Q What time did it start then?

13 A Probably 9:35 or so.

14 Q I stand corrected. 9:35, At 9:35 the three reporters
15 were escorted to ---

16 A Mr. Knight.

17 Q Mr. Knight escorted the three reporters into Mr.
18 Klappe's office, is that correct?

19 A Yes.

20 Q Were you handed a press release?

21 A No.

22 Q Nothing?

23 A Nothing but coffee and doughnuts.

24 MR. HUGERS: We are hospitable.

25

1 BY MR. HYMAN:

2 Q And what was the first topic of conversation dis-
3 cussed at 9:35?

4 A The first topic of conversation was the Secretary's
5 account of a trip he had taken to Pennsylvania to a coal mine.

6 Q And nothing to do with offshore oil?

7 A It had nothing to do with offshore oil.

8 Q How long did that take approximately?

9 A Approximately ten minutes. He was very enthusiastic.

10 Q About coal?

11 A About that trip.

12 Q Oh. And what was the next topic of conversation -- and
13 that brings us up to 9:45 or thereabouts.

14 A There may have been some other remarks about coal
15 following his own account of his trip.

16 Q Did you take notes on those remarks?

17 A I don't think so.

18 Q You don't think so. Then about how long did that
19 coal discussion last?

20 A In all, conversation about coal probably about 15
21 minutes.

22 Q And the next conversation topic?

23 A The other big ---

24 Q No, I want the next one, not the other big one.

25 A I can't swear to you this was the next topic of

1 conversation.

2 Q The next that you recall -- I don't want the big
3 one, the next one that you recall.

4 A The next topic of conversation that I recall was a
5 long discussion about what to do with excess oil coming into
6 California if indeed too much oil was going to come into
7 California with the Alaska pipeline.

8 Q And you were interested in that topic?

9 A I was very interested in that.

10 Q Did you take detailed notes on that topic?

11 A Yes, sir.

12 Q Would it be fair to say that you used up one of your
13 two sheets of paper ---

14 MR. BIALIK: I object.

15 THE WITNESS: I can't remember.

16 MR. HYMAN: You object?

17 MR. BIALIK: For the record I don't think the evidence
18 showed she had two pieces of paper. I think she said she had
19 several.

20 MR. HYMAN: If you would listen with your ears and
21 listen to ---

22 MR. BIALIK: I think the "two" was supplied by you,
23 Mr. Hyman.

24 THE WITNESS: I said "a couple". I don't know if a
25 couple in this instance is two.

1 BY MR. HYMAN:

2 Q How about three?

3 A Possibly.

4 Q Four?

5 A I had more if I needed it.

6 Q How many did you use, is what I am really inter-
7 ested in.

8 A Probably a couple. I don't know.

9 Q OK. Did the California excess oil story take up a
10 good portion of the "couple" pieces of paper that you actually
11 used in your notes?

12 MR. BIALIK: I object to the form.

13 BY MR. HYMAN:

14 Q You can answer the question.

15 A I took a lot of notes about that topic.

16 Q All right.

17 A Not nearly as many notes as the conversation consumed,
18 but I took notes on it.

19 Q It wasn't a verbatim ---

20 A No.

21 Q What was the next topic of conversation that you
22 recall? Now these two topics, the topic as to the coal in
23 Pennsylvania and the oil in California, were all three people in
24 the room -- four people in the room? Nobody left during that
25 period of time?

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A Not that I recall.

2 MR. BIALIK: Who are the four people? I think the
3 record shows that that is not the correct number of people.

4 MR. HYMAN: OK, we will read the number of people.

5 BY MR. HYMAN:

6 Q The Secretary was in the room?

7 A Yes.

8 Q In addition to the Secretary the four people I referred
9 to were yourself, Ms. House, Drew von Bergen; is that correct?

10 A Yes, sir.

11 Q That would be the UPI person. Roberta Hornig, the
12 Washington Star newsperson, and Tim Knight, the PR man from
13 Interior?

14 A Yes.

15 Q Does that add up to four besides the Secretary?

16 A Yes.

17 Q During those two conversations concerning the topics
18 of coal and oil in California the four people plus the Secre-
19 tary were in the room and nobody left?

20 A That is my recollection.

21 Q Fine. Then what was the next -- how long did that
22 last, the California oil surplus story?

23 A Probably 10-15 minutes or more.

24 Q Did you ask questions of the Secretary on that?

25 A Yes.

1 Q Did he answer them?

2 A Yes, sir.

3 Q And did Mr. Knight have anything to say about surplus
4 oil in California?

5 A No, Mr. Knight ---

6 Q He just sat quietly?

7 A Sat quietly.

8 Q And if he had something to say, you would have noticed
9 that immediately, is that correct?

10 A Yes, sir.

11 Q OK. And would it be fair to say that that took you
12 up to 10 o'clock, five to 10?

13 A That took us beyond 10 o'clock, I am sure.

14 Q Beyond 10 o'clock. OK. What was the next conver-
15 sation topic, major or minor, that you can recall?

16 A Well, the next topic of conversation that I recall
17 was about the lease-sale.

18 Q All right. And did you or any of the reporters
19 bring up that conversation or did Mr. Kleppe bring up that topic
20 of conversation?

21 A Mr. Kleppe brought up that topic.

22 Q How did he bring it up?

23 A He said something to the effect that I do have one piece
24 of news or one announcement or something like that.

25 Q That was going to make that day or make in the future?

1 What was your understanding of that?

2 A Well, when you are talking to three reporters, you
3 are making an announcement that day.

4 Q Have you ever had the experience in your reporting
5 service that speaking to public officials, things are said with
6 the implied understanding or expressed statement that "Hold it
7 for a couple days"?

8 MR. BIALIK: I object. It is argumentative.

9 THE WITNESS: That happens frequently.

10 BY MR. HYMAN:

11 Q That happens frequently?

12 A That has always been stated at the outset.

13 Q And what was your response to that statement about
14 the piece of news?

15 A Either I or Roberta said, "Where, which one?"

16 Q And what was the Secretary's response?

17 A The Secretary said that ---

18 Q He didn't know?

19 A --- he didn't know.

20 Q OK. At that point did Mr. Ted Knight leave?

21 A Tim Knight.

22 Q Tim Knight, yes. Who is Ted Knight?

23 MR. HUGGERS: He is on television.

24 MR. HYMAN: That's it.
25

1 BY MR. HYMAN:

2 Q Did Tim Knight leave the room at that point?

3 A Yes.

4 Q And before he left the room, did you see Mr. Tim
5 Knight write various questions on a piece of paper, scrap
6 paper?

7 A He jotted ---

8 Q You noticed him jotting something down, is that cor-
9 rect?

10 A Yes.

11 Q And was it during the time that Mr. Knight was jotting
12 things down, was the Secretary or any of the reporters asking
13 areas or certain areas of questions which they would like to
14 have answered concerning this news item?

15 A How big the sale would be -- I mean, how many tracts
16 would be -- acres would be offered; and where it was.

17 Q Right. And the Secretary did not know at that time,
18 is that correct?

19 A He said he couldn't recall.

20 Q He couldn't recall.

21 And the press man went out to get the information, is
22 that a fair statement?

23 A Yes, sir.

24 Q OK. How long was the press man out?

25 A Five minutes.

1 Q And during the five minutes ---

2 A Maybe a little less.

3 Q Well, whatever time, five or less minutes, were any
4 further conversations held with the Secretary concerning this
5 sale?

6 A No, we talked about the sale. At that time he mentioned
7 the fact that they were not going ahead with -- or there was
8 -- the other two Atlantic sales, because they didn't want to
9 get into the problem that they had in California of lawsuits.
10 They wanted to have more discussions.

11 Q Did he say what the lawsuits were about in California
12 that they had the problems with?

13 A We were all familiar with that lawsuit.

14 Q What was your familiarity with it? Was environment
15 one of the problems in California?

16 A Our familiarity was the Governor of California had
17 attempted -- and others -- had attempted to stop that sale.

18 Q On what grounds, do you know?

19 A Environmental, among others.

20 Q And is it your impression that the Secretary knew
21 about the environmental problems that were raised in Califor-
22 nia?

23 A I am sure he did.

24 Q Well, at the time -- and this is very important -- in
25 those five minutes when you discussed the other two sales,

1 was environment mentioned as a reason?

2 A He said that the other two sales were being postponed,
3 as the story says, for further environmental studies.

4 Q And he said that?

5 A Yes.

6 Q OK. When Mr. Knight came back into the room, and
7 that would be a five or less minute delay, is that correct?

8 A About.

9 Q He read from a piece of paper? He gave you some
10 information?

11 A He gave us information.

12 Q And he didn't give it to the Secretary, did he first?

13 A No.

14 Q He just walked into the room and said, "Here, I got
15 the information, the answers to the questions"?

16 A There was conversation going on and, as I recall, he
17 took his chair and the Secretary said, "Did you find out?" and
18 so on.

19 Q So the information concerning this story came from
20 Mr. Knight, is that correct?

21 MR. BIALIK: Which information?

22 BY MR. HYMAN:

23 Q The information concerning your story of June 17,
24 1976.

25 A The date of August 17 came from the Secretary.

1 Q That came from the Secretary, but the background ---

2 A The area in which the lease would be held came from
3 Mr. Knight.

4 Q OK. Now, the date of August 17, which is your
5 testimony, came from the Secretary before Mr. Knight came back
6 into the room?

7 A That was the opening of the conversation, his using
8 that date.

9 Q The opening, OK. And did Mr. Knight say to you
10 that the three areas in consideration would be 900,000 acres
11 in the Baltimore Canyon, Middle Atlantic, and George's Bank
12 was discussed and the South Atlantic?

13 MR. BIALIK: I object to the question.

14 THE WITNESS: No, we didn't discuss the other two,
15 the George's Bank and the -- we didn't discuss the New England
16 area and the area off Georgia.

17 BY MR. HYMAN:

18 Q Well, is it your testimony -- and I am talking about
19 Mr. Knight now, forget the Secretary -- that Mr. Knight did
20 not mention to you George's Bank or the South Atlantic when he
21 came back into the room?

22 A He mentioned the area where the sale would occur.

23 Q And that would be the 900,000 acres in the Baltimore
24 Canyon, Mid-Atlantic; is that correct?

25 A In the Mid-Atlantic, yes.

1 Q But your recollection is that he did not mention the
2 George's Bank area or the South Atlantic; is that correct?
3 Or do you just have no recollection?

4 A No, I don't recall whether he did.

5 Q Did Mr. Knight say to you that the Secretary is
6 reviewing the schedule for all sales, when he came back into
7 the room? Was that mentioned?

8 A Not that I recall.

9 Q Not that you recall.

10 A The Secretary himself said, as I said earlier, that
11 they were looking at the other two areas and even though we had
12 stories about the fact that they intended to hold sales there,
13 that there were going to be more studies until there was a
14 date set, so it would not occur until '77 -- those sales.

15 Q But you don't recall Mr. Knight saying that the
16 Secretary was reviewing the schedule for all sales including
17 the Mid-Atlantic?

18 A No.

19 Q Not the Secretary, Mr. Knight.

20 A No, I don't recall Mr. Knight saying that.

21 Q Do you recall Mr. Knight saying that the 900,000
22 acres in the Baltimore Canyon, Mid-Atlantic sale scheduled for
23 August 17 was subject to a decision meeting at the end of June
24 and that if Secretary Kleppe approves the sale as proposed, it
25 would be held? Do you remember Mr. Knight saying that?

1 A No.

2 Q You never heard anything about a decision meeting?

3 A Mr. Knight didn't talk very long.

4 Q But if he did talk, did you hear Mr. Knight say any-
5 thing about a decision meeting to be held in June?

6 A No.

7 Q And did you hear Mr. Knight say anything that if Mr.
8 Kleppe approves the sale as proposed, it would be held on
9 August 17th?

10 A No.

11 Q You didn't hear that?

12 A No.

13 Q How about this verbatim, did you hear Mr. Knight say
14 when he came back "Following a decision meeting at the end of
15 June and if Secretary Kleppe approves, the first sale would
16 be in the Mid-Atlantic or Baltimore Canyon area"?

17 Did you hear him say that?

18 A No.

19 Q Did anybody say that at that briefing?

20 A Not that I recall, because we were talking when Mr.
21 Knight came into the room.

22 Q Yes ---

23 A And the Secretary turned to him to say where the
24 sale would be, and it is my recollection he said where the sale
25 would be and we resumed the conversation with the Secretary.

1 Q What exactly did he say about where the sale would
2 be?

3 A The Mid-Atlantic.

4 Q And didn't you ask him about acreage?

5 A Yes.

6 Q Well ---

7 A He gave that.

8 Q He said more than the Mid-Atlantic. He said acreage,
9 too; is that correct?

10 A He gave the acreage, yes.

11 Q What else did he say?

12 MR. BIALIK: Is he the Secretary or ---

13 MR. HYMAN: No, Mr. Knight.

14 THE WITNESS: Mr. Knight.

15 BY MR. HYMAN:

16 Q What else did he say?

17 A That is all that I recall.

18 Q At that time were you interested in your capacity as
19 a reporter for the Wall Street Journal in the environmental
20 lawsuits?

21 MR. BIALIK: I object to that as irrelevant.

22 THE WITNESS: I don't understand the question.

23 BY MR. HYMAN:

24 Q Well, you are a reporter for the Wall Street Journal,
25 is that correct?

1 A Yes.

2 Q And the Wall Street Journal has a reading or reader
3 circulation of people interested in business; is that correct?

4 A And others.

5 Q And others. And if a statement were made regarding
6 the environment, would you be interested in it?

7 A Yes, sir, I also cover environment.

8 Q And the only statement made about the environmen
9 was concerning the other two sales that were not scheduled;
10 is that correct?

11 A Yes, that is my recollection.

12 Q And your notes are not available?

13 MR. BIALIK: That has been asked and answered.

14 THE WITNESS: They were available to me when I wrote
15 this story.

16 BY MR. HYMAN:

17 Q By the way when you wrote the story, where is the
18 paper published?

19 A It is printed in several places.

20 Q Well, do you call the story in or do you write it
21 out first?

22 A No, I write it out and give it to the two editors --
23 three editors on the desk here.

24 Q Well ---

25 A One of those three edits it.

1 Q That means that your whole story as you wrote it does
2 not appear in this Exhibit 1?

3 MR. BIALIK: I object.

4 THE WITNESS: Word for word what I gave them on a
5 piece of typing paper?

6 BY MR. HYMAN:

7 Q Yes.

8 A It is possible there are some words changed, but only
9 after it is shown to me.

10 Q But were there words changed -- I don't know what they
11 call it.

12 A The hard copy?

13 Q Don't you have the hard copy?

14 A We might, I don't know.

15 Q Did you look for it?

16 A No, because the facts of that story were not changed
17 from what I submitted, so I didn't look for it before this
18 meeting.

19 Q After the editor looks at it, what happens to the
20 story?

21 A The editor looks at it; if I misspelled a word, he
22 fixes it. If he doesn't understand something, he asks about
23 it; and then the story is teletyped to New York.

24 Q What about the teletype copy, is that available?

25 A I don't know. I don't know how long it is kept.

1 MR. MILLER: About a month.

2 THE WITNESS: About a month? Then it might be.

3 BY MR. HYMAN:

4 Q And is it edited again in New York or does it go
5 in the way it is submitted to New York?

6 A If there is going to be any change made in New York
7 or something they don't understand about the way it arrives,
8 they call the editor and say, "I don't understand this."

9 Q Do you know if that was done in this case?

10 A Not that I know.

11 Q But you don't know for a fact?

12 A No, I don't.

13 Q OK ---

14 A If there were any major questions, there probably
15 would be a check.

16 Q Now there were other stories about this interview
17 that appeared in the local papers, right?

18 A The Washington Star, yes.

19 Q How about the Washington Post?

20 A I don't recall seeing the story in the Post.

21 MR. HYMAN: Mark this for identification.

22 (House Deposition No. 3 was
23 marked for identification.)

24 BY MR. HYMAN:

25 Q I ask you to look at Exhibit 3 and ask you if that

1 was the substance of the meeting that you attended with Secretary
2 Kleppe on the 16th?

3 MR. BIALIK: I object to that on the ground: that
4 the substance has been testified to in great detail.

5 THE WITNESS: The first paragraph about selecting the
6 date, yes.

7 BY MR. HYMAN:

8 Q And how about -- was it possible during the course
9 of this meeting that something similar to that was said by
10 someone relating to comments are still due until June 26 on
11 that last paragraph there?

12 A That wasn't said to us. This AP reporter was not at
13 the meeting. If it was said to us, I don't recall it.

14 Q If it was said to you, you wouldn't recall it; is
15 that correct?

16 A Not that I wouldn't, I don't.

17 Q You don't recall it, yet the AP reporter who wasn't at
18 the meeting wrote about the same topic concerning the proposed
19 sale on August 17th; is that correct?

20 MR. BIALIK: I object. The exhibit speaks for itself.

21 THE WITNESS: Yes, sir.

22 BY MR. HYMAN:

23 Q And he reported that?

24 MR. BIALIK: Same objection.

25 THE WITNESS: I guess he did.

1 BY MR. HYMAN:

2 Q Now, do you have a teletype service here?

3 A You mean AP and UPI?

4 Q Yes.

5 A Yes, we do.

6 Q And is it part of your duties at times to read it?

7 A Yes.

8 MR. HYMAN: Mark this please.

9 (House Deposition Exhibit No. 4
10 was marked for identification.)

11 BY MR. HYMAN:

12 Q I would like you to read Exhibit 4, which is Mr. Stan
13 Benjamin's UP teletype ---

14 MR. HUGHES: AP.

15 BY MR. HYMAN:

16 Q --- AP teletype, and ask you on or before that, or
17 at some time did you see that?

18 MR. BIALIK: May I ask if the teletype reflects
19 that it is Mr. Benjamin's?

20 MR. HYMAN: Yes, it does.

21 THE WITNESS: I don't remember seeing Stan Benjamin's
22 story that day. I remember looking at the UPI story because
23 they used a different lead to the lease sale. I don't recall
24 seeing that story. I probably did.

25

1 BY MR. HYMAN:

2 Q OK. I am pointing to the paragraph starting with
3 "comments" and ask you to read that into the record.

4 A "Comments are still due, until June 26, on the
5 Department's environmental study of the proposed lease sale
6 and Kleppe is not legally free to schedule a sale until that
7 comment period has expired."

8 MR. BIALIK: Is there a question pending?

9 BY MR. HYMAN:

10 Q And you might have read that before you wrote your
11 story because you were interested in -- may I see that exhibit?
12 (The document was provided counsel.)

13 The UPI story's lead.

14 MR. BIALIK: I object on the ground that it is
15 speculative.

16 MR. HYMAN: She stated she read it.

17 THE WITNESS: No, I didn't say I read it.

18 BY MR. HYMAN:

19 Q You probably read it?

20 A It probably would have been given to me. I don't
21 recall reading what UPI and the Star said.

22 Q If you did read that, would you have seen that
23 story?

24 MR. BIALIK: Objection on the ground it is specu-
25 lative.

1 MR. HYMAN: You may answer.

2 MR. BIALIK: She may answer it, but she is obviously
3 not required to answer it.

4 THE WITNESS: I would probably have called the press
5 office at Interior and asked them.

6 BY MR. HYMAN:

7 Q To find out what it meant, right?

8 A "What does this mean when the lead said that Kleppe
9 had set a date when that is what he told us?"

10 Q Well, are you aware that the scheduling date was set
11 way before this, Kleppe's announcement? Do you know what
12 "schedule" is?

13 A What do you mean do I know what a schedule is?

14 Q Do you know technically what a schedule is when issued
15 by the Interior Department?

16 A There had not been a date set for this sale.

17 Q A scheduling date, is that what you are saying?

18 MR. BIALIK: I object to the use of the technical
19 term unless it is defined.

20 THE WITNESS: I don't know what you mean by "scheduling
21 date".

22 BY MR. HYMAN:

23 Q You were not aware that prior to the 16th of June
24 that a scheduling date was set for the Mid-Atlantic sale?

25 MR. BIALIX: I object. There is no foundation and

1 there is no definition.

2 THE WITNESS: You mean by scheduling date that the
3 sale would occur in the summer of '76?

4 BY MR. HYMAN:

5 Q No, a scheduling date.

6 A Of August 17th?

7 Q Yes.

8 MR. BIALIK: Same objection.

9 THE WITNESS: We had never been told that.

10 BY MR. HYMAN:

11 Q How about August?

12 A Yes, sir, I think I knew that.

13 Q And so the news story was the ---

14 A Precise date.

15 Q Specific, precise date.

16 MR. BIALIK: Same objection.

17 THE WITNESS: We knew these three sales were scheduled
18 to occur in '76 unless the Department changed its mind, some-
19 thing went wrong or ---

20 BY MR. HYMAN:

21 Q Well, can you be more specific by "something went
22 wrong"?

23 A Well, they put out releases calling for nominations
24 in different areas, in an area where they intended to hold the
25 sale. We report that. And the scheduled sale time is August

1 or December of a certain year.

2 Q And you knew that before you even went into this conver-
3 sation with Kleppe, is that correct?

4 A I think we had reported that, I don't know.

5 Q OK. I didn't ask you if you reported it, I asked
6 you if you knew it was scheduled for August of '76.

7 A I think I did.

8 MR. BIALIK: I object to the question on the same
9 ground as before.

10 MR. HYMAN: You may answer the question.

11 MR. BIALIK: The word "scheduling" has not been
12 defined for this deposition.

13 BY MR. HYMAN:

14 Q You may answer the question if you understand it.

15 A When I went in there that morning, I did not have
16 on my mind that there was a sale in the Mid-Atlantic scheduled
17 for August '76.

18 Q I am not asking when you went in there that morning.
19 I am asking you at any time before you went in there that
20 morning did you know about a scheduling date in August of 1976
21 for the Mid-Atlantic?

22 MR. BIALIK: Same objection.

23 THE WITNESS: I don't know.

24 BY MR. HYMAN:

25 Q You don't recall, but you think you might have

2076cc

1 written a story about it?

2 A If they had announced the scheduling date as August
3 of '76, we had probably reported it in the stories that we do.

4 Q I am asking you specifically, have you ever heard
5 that before?

6 MR. BIALIK: Same objection, including lack of foun-
7 dation.

8 THE WITNESS: I knew the sale was scheduled for '76.
9 Whether I knew it was scheduled for August, I think I did.

10 BY MR. HYMAN:

11 Q OK. Thank you.

12 And again, the thing that made the news was a specific
13 date, is that correct?

14 A The thing that made the news was that Mr. Kleppo
15 said, "I have set a date of August 17 and I am going to post-
16 pone these other two sales." There were two different news
17 factors there.

18 Q And he said he was going to postpone the other sales
19 as a result of environmental reasons?

20 A Yes, sir.

21 Q All right.

22 MR. HYMAN: I have no further questions.

23 MR. BIALIK: Any other questions?

24 MR. HYMAN: Wait a second.
25

1 BY MR. HYMAN:

2 Q Would you, before you sign your deposition, try to
3 obtain, if you can, your notes and your story as it appeared
4 before it was edited?

5 A Yes, I will look for that.

6 Q And attach copies of it to the deposition if you
7 find them.

8 A Yes.

9 MR. HYMAN: I have no further questions.

10 MR. BIALIK: Does anybody else have questions?

11 MR. MILLER: Just a point of clarification: This
12 story as it appears before editing will appear with editing
13 marks on it.

14 MR. HYMAN: I want it before it appeared.

15 MR. MILLER: That no longer exists. All we have is
16 a piece of paper with editing marks, Karen's or the editor's,
17 on it.

18 MR. ZIMMERMAN: Would the editing marks obliterate
19 the original story, the hard copy?

20 MR. MILLER: It would depend on the editing. It would
21 obliterate some words perhaps.

22 MR. BIALIK: Mr. Pope, do you have any questions?

23 MR. POPE: No, I have no questions.

24 MR. BIALIK: Then the deposition is concluded.

25 MR. HYMAN: Let me just ask the following.

1 BY MR. HYMAN:

2 Q Were you subpoenaed to this deposition? Did you
3 receive a subpoena to appear?

4 A I did not receive a subpoena.

5 Q And did you have conversations with anybody from the
6 State of New York or the county of Suffolk prior to this deposi-
7 tion as to the nature of this deposition?

8 A I was called by Mr. Bialik.

9 Q And when did he call you?

10 A Last week.

11 Q And did he ---

12 A To set a date.

13 Q Is that all he said? "I would like to set a date
14 for your deposition" or was there other conversation?

15 A He asked if 11 a.m. would be all right.

16 Q Did he tell you what areas he would like to cover?

17 A Yes, sir.

18 Q And was your story discussed, the one that you pub-
19 lished on the 17th?

20 A He said he would want to ask about the June 17 story.

21 Q Did you ask any questions of him concerning ---

22 A How long it would take.

23 Q What about the substance of the story? Was that
24 discussed?

25 A No.

1 Q Did he ask you any specific questions concerning the
2 August 17th date and if the Secretary said that?

3 A He said he would want to ask me if the Secretary said
4 August 17th.

5 Q And did you reply to that in any way?

6 A I said I would answer.

7 Q Did you give him the answer then? What answer did
8 you give him on the phone?

9 MR. BIALIK: Objection. She just answered the ques-
10 tion that you have now asked.

11 THE WITNESS: The story speaks for itself.

12 MR. HYMAN:

13 Q Is that what you told him?

14 A We didn't discuss whether my story was right or wrong.
15 I think, as a matter of fact, I said I would be happy to do
16 this. I didn't know why it was necessary, that the story speaks
17 for itself.

18 Q That you would be happy to do what?

19 A To be deposed?

20 Q I see. Did the State of New York tell you your fee,
21 as a witness fee?

22 A No. Am I entitled to one?

23 Q Did they tell you were entitled to a witness fee?

24 A No.

25 Q They didn't?

1 A No.

2 MR. HYMAN: Maybe they are too poor. I don't have any
3 questions.

4 MR. BIALIK: Note that the deposition has been con-
5 cluded now for the second time -- and final time.

6 - - -

7 MR. HYMAN: Mr. Bialik is here, the witness is here,
8 you can walk out, you can do anything you want.

9 MR. BIALIK: Let me see the document first. If you
10 have seen documents off the record, I have to see them.

11 Let the record note that I object to the continuation
12 of the deposition which has been twice concluded by Mr. Hyman.

13 MR. HYMAN: Will you please mark this as No. 5 please,
14 Mr. Reporter?

15 (House Deposition Exhibit No. 5
16 was marked for identification.)

17 BY MR. HYMAN:

18 Q I ask you to look at Exhibit No. 5, which is a
19 Department of Interior news release, entitled "Office of the
20 Secretary, for immediate release, June 17, 1976", and I ask
21 you if you have ever seen that release prior to this date.

22 A Yes, sir.

23 Q On what date did you see it?

24 A June 17.

25 Q And that was a day after you -- no, not a day after.

1 That was the day of your story, is that correct?

2 A It arrived the afternoon after the story ran that
3 morning..

4 Q I see. And I direct your attention to the second
5 paragraph of that release and ask you to read that aloud.

6 A The second paragraph of the release says: "The
7 final EIS was issued on May 26 and submitted at that time to
8 the Council on Environmental Quality (CEQ). A final decision
9 will not be made on the sale until at least late June, or a
10 minimum of 30 days after submission of the EIS to CEQ."

11 Q Could that be interpreted as contradicting what the
12 Secretary told you the day before?

13 MR. BIALIK: Objection, the document speaks for
14 itself.

15 BY MR. HYMAN:

16 Q You may answer.

17 A Yes, it does.

18 Q Did you run a story on that, correcting your previous
19 story?

20 MR. BIALIK: Objection, the question assumes there was
21 a need to make a correction. There is no foundation for that.

22 THE WITNESS: We did not run another story. I dis-
23 cussed it with the editor and with the Interior Department's
24 PR office.
25

1 BY MR. HYMAN:

2 Q What did you discuss with your editor concerning that?

3 A Whether we needed to run another story or not.

4 Q Well, you stated that this was a contradiction of the
5 story you ran concerning setting a date, is that correct?

6 A Yes.

7 Q And who decided not to run another story? Your
8 editor?

9 A We did together.

10 Q And you had conversations with Interior?

11 A With one of the ---

12 Q Who did you discuss it with ---

13 MR. BIALIK: Objection, let her answer the question.

14 THE WITNESS: The reason we didn't run the story?

15 BY MR. HYMAN:

16 Q No, who did you discuss this press release with at
17 Interior?

18 A As I recall, Mr. Kalman, Harmon Kalman.

19 Q And did you discuss it over the phone?

20 A Yes, sir.

21 Q On the 17th of June?

22 A Yes, sir.

23 Q And what was the nature of the discussion? What
24 did you say to him and what did he say to you, if anything?

25 A I asked him, as I recall, what was going on, why the

1 Secretary had said the day before that August 17 was the date
2 and that here we were getting what appeared to be a correction,
3 and he said, "Yes, there was a problem with setting the date."

4 Q Did he say anything about environmental factors?

5 A That the date couldn't be legally set until after
6 June 26th, until after a month had elapsed. After the filing
7 of the EIS, that is.

8 Q So Mr. Kalman, in fact, verified the story as appears
9 in Exhibit 3 in the Washington Post, is that correct?

10 MR. BIALIK: Objection to the form of the question.

11 THE WITNESS: Mr. Kalman said that the sale couldn't
12 legally -- the date couldn't legally be set until after June
13 26.

14 MR. HYMAN: No further questions.

15 THE WITNESS: Would you like to know why we didn't
16 run the story?

17 MR. HYMAN: No. Let him ask it.

18 We have also her draft as edited and the teletype.
19 Would you like to mark it for identification?

20 MR. MILLER: Wait a minute. That is the property of
21 the Wall Street Journal and I will give you a xerox, but at
22 this point I don't want to give you the original.

23 MR. HYMAN: That is OK. I would like to mark --
24 what would this be called? The editor's corrected hard copy?

25 MR. MILLER: The edited copy.

1 MR. HYMAN: And this is the ---

2 MR. MILLER: Teletype copy.

3 MR. HYMAN: That would be Exhibits 6 and 7.

4 (House Deposition Exhibits Nos.
5 6 and 7 were marked for identi-
6 fication.)

7 MR. HYMAN: Do you have any objections to having it
8 marked?

9 MR. BIALIK: Do I understand you would like a xerox
10 copy to be marked?

11 MR. MILLER: Yes.

12 MR. BIALIK: Why don't we run off some copies, maybe
13 three copies if we could, and mark a xerox copy and Mr. Hyman
14 and I can each have one.

15 MR. HYMAN: Do you have objection to that?

16 MR. BIALIK: I object to this whole proceeding of
17 reopening the deposition.

18 MR. HYMAN: I understand, but do you have any objec-
19 tion to this?

20 MR. BIALIK: I am stating my objection. I object
21 to this reopening of the deposition. I don't object specifically
22 to marking those two documents except as I have already indi-
23 cated.

24 MR. HYMAN: Very good. Will the reporter mark the
25 time, that it is now 12:10 and Mr. Bialik did not leave the

1 premises from the beginning of this deposition to the end.
2 By "premises" I mean the Wall Street Journal offices; and that
3 there was no inconvenience for him and the witness was present
4 and did not leave, nor any of the other counsel.

5 MR. BIALIK: The record can show that I did leave
6 the room and ---

7 MR. HYMAN: The room, but not the premises.

8 MR. BIALIK: --- with all my possessions, having
9 concluded the deposition.

10 MR. HYMAN: You left the room to get some rats of the
11 exhibits and you were present when the deposition was opened
12 up and you are present now when the deposition is closed.

13 MR. BIALIK: The deposition is for the third time
14 concluded and I object again to this reopening of the deposi-
15 tion.

16 [Whereupon, at 12:15 p.m. the taking of the deposi-
17 tion was concluded.]

18

19

20

Karen Elliott House

21 Subscribed and sworn to before me

22 this _____ day of _____ 1976.

23

24

Notary Public

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My commission expires _____.

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In the Matter of:

State of New York and the Natural
resources Defense Council, Inc.,

Plaintiffs

against

Thomas S. Kleppe, Secretary of Interior

Defendant

And

County of Suffolk, County of Nassau,
Town of Isleip, Town of Hempstead,
Town of North Hempstead, Town of
Oyster Bay, Town of Huntington and the
Board of Trustees of the Town of
Huntington and Concerned Citizens
of Montauk, Incorporated

Plaintiffs

against

Rogers C. B. Morton, Individually and
as Secretary of Interior, Curtis
Berklund, Individually, and as
Director of the Bureau of Land
Management

Defendants

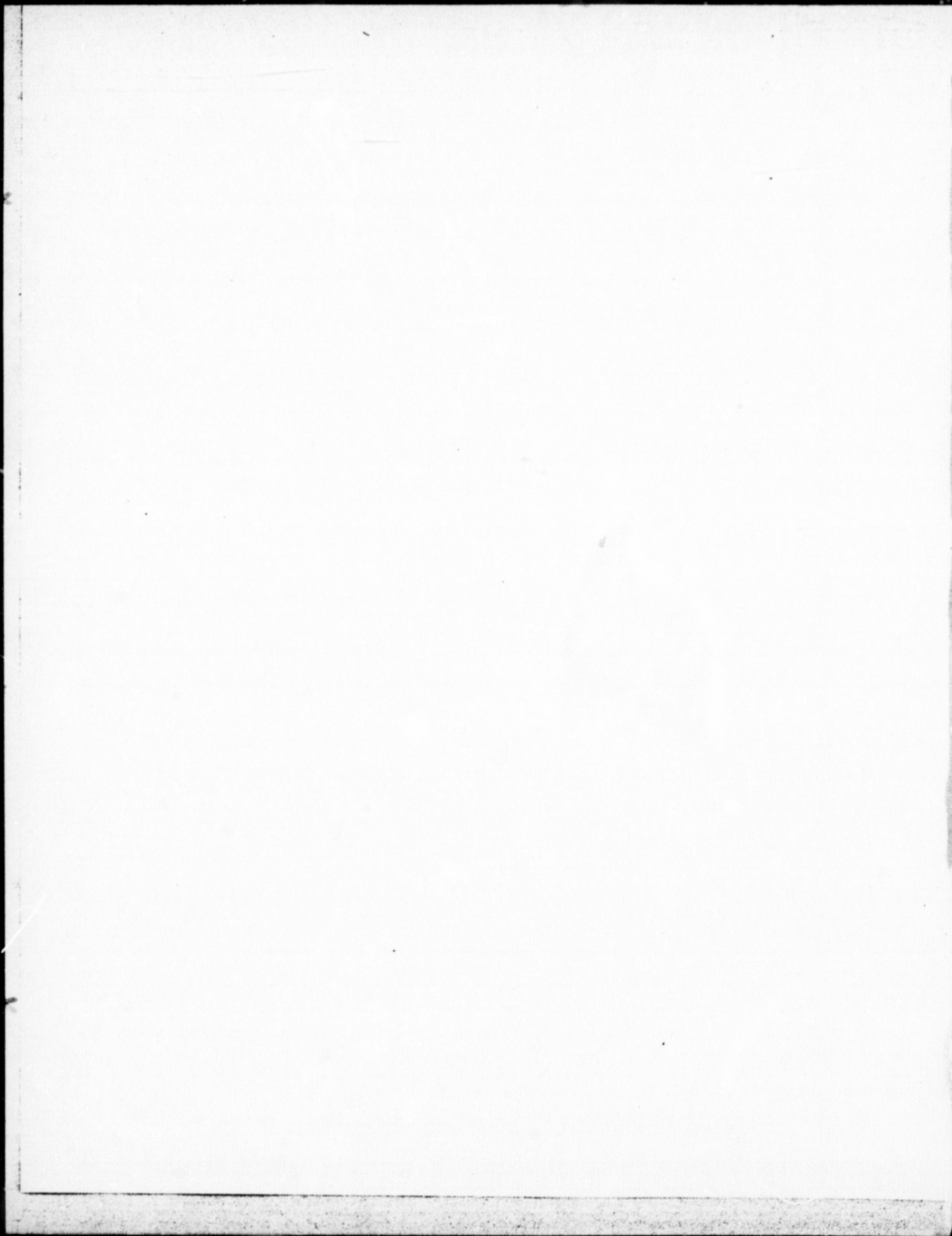
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Complaint for
Declaratory and
Injunctive
Relief
76 Civ. 1229

Civil Action
No. 75-C-208

Washington, D. C.,
Wednesday, July 14,

Deposition of ROYSTON HUGHES, the defendant herein,
called for examination by counsel for the plaintiffs in the
above-entitled action, pursuant to notice,



2079

1 Table 3 was omitted from the first that was sent
2 me, and it was sent as a subsequent mailing, I think by
3 either Mr. Hoese or Mr. Hughes. It was a missing piece.

4 MR. JENSEN: Of PDOD.

5 THE WITNESS: I have reviewed the two documents
6 given to me and I am familiar with both.

7 BY MR. LIKE:

8 Q Please mark that for identification. Mark the first
9 document as 9-A and the second one as 9-B, please.

10 (The documents referred to were
11 marked Exhibits Nos. 9-A and 9-B
12 for identification.)

13 MR. JACK HUGHES: Off the record.

14 BY MR. LIKE:

15 Q In September 1975, were you in charge of the OCS
16 Coordination Office?

17 A Yes.

18 Q Were you in charge of the preparation of the PDOD?

19 A Yes.

20 Q Are you familiar with Part 301 of the Department
21 of the Interior's Departmental Manual which contains a
22 Chapter 1 entitled "Program Deficient Option Documents."?

23 A Yes. I am generally familiar with that chapter.

2080

1 A In that we are referring to a great number of
2 meetings and I observed people writing on various types of
3 paper in those meetings, yes, people took notes at those
4 meetings.

5 Q Do you recall when the first draft of the PDOD was
6 prepared?

7 A No.

8 Q Can you give me an approximation as to how long after
9 the beginning of the preparation of the PDOD in the early sum-
10 mer of 1975 you saw a draft of either a portion of the entire
11 PDOD document?

12 A I would guess in a matter of weeks, but I have no
13 way of knowing whether it was six weeks or eight weeks, but
14 it took a matter of weeks to compile the information contained
15 in the final document. It could have taken as many as twelve
16 weeks.

17 Q Do recall when the PDOD was completed by your staff
18 and ready for comment?

19 A I believe in late August or early September of 1975.
20 Part of the routine of writing a PDOD would be to circulate
21 the draft PDOD to the principal offices within the Department
22 and receive comments as to the accuracy or bias on the PDOD.

23 Q Does the name Darius W. Gaskins, Jr. strike a cord

1 draft programmatic PDOD for accelerated leasing?

2 A I don't recall the specific date, but I did receive
3 a draft copy of the PDOD sometime in the late summer, either
4 late August or early September, as I stated earlier.

5 Q I show you a document which is dated August 1, 1975
6 porporting to be a memorandum from the Director of the Office
7 of OCS Program Coordination, signed by Darius W. Gaskins, Jr.,
8 directed to the Assistant Secretary for Program Development
9 and Budget and other Assistant Secretaries, as well as the
10 Solicitor and the Director of the Geological Survey and the
11 Bureau of Land Management Director.

12 I ask you to please tell me whether you recall re-
13 ceiving that document and the PDOD on or about August 1st,
14 1975?

15 A Yes, I am familiar with this document and received
16 it shortly after the date on the document.

17 MR. LITE: Mark that for identification, please.

18 (The document referred to was
19 marked Plaintiff's Exhibit No.
20 10 for identification.)

21 BY MR. LITE:

22 Q Are you prepared now, having refreshed your recol-
23 lection by examining Exhibit 10 for identification, to testify

1 the spring of 1975, Secretary Morton and I had a discussion
2 with the President and some of his senior staff people again
3 reviewing some of the issues and, I think, particularly as
4 they related it to the legislation that was under consideration
5 on the Hill.

6 Q Was there any discussion at that time, either by the
7 President or by Mr. Morton, in which either party indicated
8 that there would be an acceleration of the leasing, Federal
9 leases?

10 A No. The subject and the accelerated programmatic
11 was in process, so I am sure that the subject of the statement
12 being prepared was discussed, but there was no decision to
13 proceed with the accelerated program.

14 Q No discussion is what you are telling us. That's
15 what I just asked you.

16 MR. HYMAN: No, he gave an answer. He said there
17 was no decision and no discussion as a result of this.

18 BY MR. CATTERSON:

19 Q That's not responsive. I asked if there was a
20 discussion about this issue.

21 A There may have been discussion about this. I don't
22 specifically recall the entire conversation -- the entire
23 conversation. The purpose of this meeting was to discuss the

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BY MR. BIALIK:

Q Could you tell us to the best of your recollection what was said by each of the persons at that meeting?

MR. HYMAN: Do you have a recollection?

THE WITNESS: I don't have a recollection of specific comments made. A general recollection of the meeting is that each of the principals opted for Option 1, which was the decision -- the option which called for the decision -- the option to accelerate the program as proposed. The Assistant Secretary for Fish, Wildlife and Parks opted for Option 2, which was to modify the accelerated proposal.

BY MR. BIALIK:

Q Do you remember anything that Mr. Frizzell said?

A Mr. Frizzell, I have a general recollection that he asked specific questions of people and there was some discussion as to their relationship between the programmatic EIF and the site specific EIF for Southern California, because both processes had been ongoing simultaneously so that there was a need to clarify from time to time, which process we were talking about.

Q I take it the whole meeting was concerned with the programming EIF. Isn't that the case.

MR. HYMAN: Well, wait a second. It was -- You know,

1 you are asking questions that are loaded. The meeting concerned
2 the impact statement and whatever documents they had in front
3 of them at the time and whatever processes --

4 MR. BIALIK: No, you are testifying. Let me phrase
5 the question.

6 MR. HYMAN: Well, phrase the question.

7 BY MR. BIALIK:

8 Q Is it a fact that you scheduled this meeting on the
9 Acting Secretary's calendar for the purpose of having a decision
10 made on the programmatic OSC?

11 A Yes.

12 Q Now, would you explain again what the confusion was
13 with respect to the California EIF?

14 MR. HYMAN: What confusion? At the meeting?

15 BY MR. BIALIK:

16 Q Did you just testify that there was confusion as to
17 the California environmental review at the meeting?

18 A It seems to me I said in response to your question
19 about what was discussed at the meeting that in addition to
20 specific references to the programmatic statement, that
21 subjects related to the EIF process ongoing for the proposed
22 Southern California sale also came up, because from time to
23 time among that group of eight to twelve people there was

1 occasionally some misunderstanding as to which item we were
2 talking about.

3 Q And do you recall any of the specific questions
4 raised by Mr. Frizzell?

5 MR. HYMAN: Relating to what, sir?

6 MR. BIALIK: Any question raised by Mr. Frizzell at
7 that meeting.

8 MR. HYMAN: Relating to what?

9 MR. BIALIK: Whatever questions he raised at that
10 meeting.

11 MR. HYMAN: Personal questions? Questions relating
12 to the document?

13 MR. BIALIK: I am --

14 MR. HYMAN: I have an objection as to form.

15 MR. BIALIK: Very good.

16 THE WITNESS: I don't have any specific recollectio
17 of questions asked by Secretary Frizzell.

18 BY MR. BIALIK:

19 Q Do you remember any persons who became confused,
20 with whom there was an occasional misunderstanding?

21 A No. My reference to the confusion between the two
22 processes is a general reference, in that both processes were
23 being simultaneously worked through the department, but I

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1 THE WITNESS: That's correct, sir.

2 BY MR. BIALIK:

3 Q I show you what has been marked as -- this is by
4 Frizzell -- or -- Exhibit 9A and 9B which together comprise
5 the programmatic PDOD. Am I correct, sir, that you saw drafts
6 of this document as it was being prepared?

7 A Yes.

8 Q And that you read the drafts?

9 A Yes.

10 Q And did you read the final PDOD?

11 A Yes.

12 Q Did you in any sense approve of this document?

13 That is, were drafts given to you essentially for
14 your approval?

15 A You mean, in that the drafts were in fact compiled
16 by my staff people? Yes, I approved the final version of the
17 PDOD which was submitted for departmental approval and
18 ultimately for the Secretary's decision.

19 Q I refer you to Page 4 of the PDOD, and to the
20 statement on that page in the bottom paragraph, the costs of
21 OCS oil have been variously estimated to range from \$1.00 to
22 \$7.00 per barrel. Can you tell us how this computation was
23 made?

1 A I think if you observe the footnote on that page,
2 you will find that the basis is there for how that dollar
3 figure is arrived at. The costs of OCS oil referred to in this
4 document and generally in the discussions on the government's
5 case for OCS development refer to the actual costs to produce oil
6 in the Outer Continental Shelf, which will vary between \$2.50
7 and \$3.50 per barrel, exclusive of transfer payments. Transfer
8 payments are the bonus and royalties which companies pay, and it
9 is a fee to get the resource under the bonus bid leasing system,
10 so that in a comparison between OCS produced oil, which will sell
11 for \$12 a barrel, and Mid-East oil, which will sell for \$12.00
12 a barrel, the difference between the \$3.00 and the \$12.00 for
13 the OCS oil goes largely to the taxpayer in the form of bonuses
14 and revenues, whereas there is no difference between \$3.00 and
15 \$12.00 for Mid-East oil. It all goes to the Mid-East. Thus --

16 Q I'm sorry?

17 A Thus billions of dollars -- In those years it was
18 \$24 to \$27 billion of additional U. S. revenue went to the
19 Mid-East.

20 Q Now, do I understand you correctly that the
21 assumption here is that the OCS oil would be sold for the same
22 price as the OPEC or the imported oil, and the question that
23 you are computing over here is what the cost of production is

1 for the OCS oil?

2 A Yes, at that time and the present time a barrel of
3 oil sells for -- on the open market, for the going price,
4 whether it's produced for the Mid-East or for the U. S. -- yes,
5 the assumption is that they would sell for the same price. Now,
6 there is some variation in qualities. High sulphur oil sells
7 for less than low sulphur oil, et cetera. Largely they sell for
8 the same dollar value.

9 Q Now, do you have any information or do you know what
10 the source would be for estimating what the transfer payments
11 would amount to just in a broad range?

12 A Which is in fact based on estimates from the
13 Geological Survey in terms of reserves. A theoretical or
14 tentative production level could be arrived at for a given
15 area, like the Baltimore Canyon area, and one can assume a
16 production there of perhaps a million barrels a day selling for
17 \$12.00 a barrel on the open market, then the \$9.00 transfer
18 payment figure, and there's also a profit figure, 6 to 10
19 percent profit in our calculations.

20 Would -- I forgot what your question was, now.

21 Q I think you are answering me. What essentially would
22 the transfer payments amount to?

23 A It would be, in that particular case, \$9 million per

and royalties, the transfer payments, and this department has contributed, you know, dollars on the order of billions of dollars to the Federal Treasury as the result of OCS leasing, and that's when I explained the difference between the value to the U. S. citizen, taxpayer, between domestic OCS oil and Mid-East oil is that \$9.00 difference between \$3.00 and \$12.00 comes back to the Federal Treasury.

BY MR. BIALIK:

Q Well, okay, but are you telling me then that in terms of estimating what the transfer payments, what the addition of the transfer payments would do to this \$1.00, \$7.00 per barrel figure is not available?

MR. HYMAN: He didn't say that. He said it's an estimate.

MR. BIALIK: What's an estimate, the \$1.00 to \$7.00?

BY MR. BIALIK:

Q What you have here is \$1.00 to \$7.00 per barrel exclusive of transfer payments. What I'm trying to find out is if there is any estimate as to what the cost of production would be including the transfer payments.

A It's a highly speculative question because I can't tell you how much a barrel of oil is going to sell for in 1985 which is probably when, assuming they have a sale on the

1 Q Do you know whether these studies have been used
2 in any way in connection with the preparation of the PDOD?

3 A No.

4 Q Do you know of your own knowledge -- Withdrawn.
5 Chapter 1, Section C of Part 301.14A2 states --
6 MR. HYMAN: What document?

7 BY MR. LIKE:

8 Q Departmental Manual, Part 301, Chapter 1, Section C,
9 sets forth the duties of officials responsible for preparing
10 program decision option documents. Are you familiar with the
11 obligations of officials who prepare program decision
12 documents?

13 A Generally.

14 Q And you were the responsible officer responsible
15 for preparing the PDOD. Correct?

16 A Yes.

17 Q It states that such officials shall obtain infor-
18 mation necessary for the preparation of decision option
19 documents and shall conduct such study, analysis and evalua-
20 tion. Are you personally familiar with what studies and
21 analyses were conducted by the staff in connection with the
22 preparation of the PDOD?

23 A I am generally familiar with the quality and content

1 know what costs are included in that figure?

2 A Generally that range is the range attributed to
3 the company's development costs, the actual dollars the
4 company has to expend to survey, drill, put in production
5 facilities, and produce.

6 Q Does this include any overhead expenses?

7 A I would assume that it does.

8 Q So it's not the out-of-pocket to the company?

9 A Well, I stated previously that the figure, the
10 range, \$1.00-\$7.00, is the amount of money that it would cost
11 to produce oil on the OCS, including a profit figure for the
12 companies of 6 to 10 percent.

13 Q And over it.

14 A I said this was the cost to produce plus a profit
15 figure.

16 Q Okay. Do you know what the basis of that figure is?

17 A Studies done both in this department, in the Office
18 of OCS Coordination and, to the best of my knowledge, studies
19 done outside the department.

20 Q Okay. So studies done in the OCS?

21 A The Office of OCS Coordination.

22 Q Okay. And studies done outside of the Department of
23 Interior?

1 MR. HUGHES: What page are you on now?

2 BY MR. BIALIK:

3 Q Now, referring to Page 10 of Exhibit 15, I refer
4 you to the paragraph beginning in the middle of the page, and
5 to the bottom line, in which the statement is made -- well, let
6 me read the entire sentence: "These measures require inter-
7 vention because they would not otherwise be undertaken by
8 consumers."

9 MR. HYMAN: Excuse me, sir.

10 MR. BIALIK: Presumably.

11 MR. HYMAN: You are on Page 10?

12 MR. BIALIK: Yes, sir.

13 THE WITNESS: I have that one.

14 MR. BIALIK: Your witness has found the line.

15 MR. HYMAN: Where is it?

16 MR. HOESE: Second paragraph.

17 MR. CATTERSON: Get it together.

18 BY MR. BIALIK:

19 Q "Presumably because they impose net costs on the
20 consumer." Would you tell us what net costs are referred to
21 in that sentence?

22 A It is my general understanding that the net costs
23 referred to would cover a whole range of topics.

1 what kinds of net costs are you referring to there?

2 A Creature comfort, the quality of the ride, the very
3 thing that the American consumer has refused to abide by be-
4 cause he is now buying larger cars again.

5 Q So these costs are social costs?

6 A To the best of my recollection.

7 Q And now do you know what the basis for this state-
8 ment is, the sentence that I just read to you? What the
9 data sources are?

10 A Not specifically, no.

11 Q Well, do you have any general knowledge of what the
12 sources are?

13 A Generally, a recollection of the reaction to the
14 fuel embargo was a period of hysteria in this town as people
15 tried to decide how they could deal with a very minor curtail-
16 ment in energy supplies, and the subject of changes in life-
17 style occasioned by either mandatory conservation measures or
18 voluntary conservation measures became the subject of wide
19 debate. The American public, as represented by their legis-
20 lators, refused to support mandatory conservation measures and
21 thus did not provide the option which organizations like the
22 Ford Foundation offered as a way of avoiding increased energy
23 production -- be it coal, oil or gas -- in this country.

1 Q Now does this net cost discussion -- does that
2 consider whether or not there are any net benefits to the con-
3 sumer from taking these actions? }

4 A I assume it does but I don't specifically remember
5 the recommendations of the Ford Foundation.

6 Q What does the Ford Foundation have to do with it?

7 A The previous paragraph -- the source of the conserva-
8 tion measures comes basically from the Ford Foundation report.

9 Q You mean what specific things fall into what specific
10 category?

11 A No. My interpretation of that paragraph is that it
12 comes largely from the reference to the Ford Foundation report
13 which offered the Government a whole spectrum of conservation
14 measures to impose as opposed to increased energy development
15 in this country.

16 Q I refer you to page 11 of Exhibit 15, specifically
17 to the sentence beginning on the third line and which I will
18 read: "However, as long as the total cost per barrel of OCS
19 oil is less than the price of oil it is better to increase OCS
20 production by one barrel than to conserve an additional
21 barrel through mandatory conservation measures. This is true
22 because the barrel of production has a price (value) in excess
23 of its total cost; thus it provides a net savings if it is

1 produced." Could you tell us what those sentences mean?

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2 A Those sentences basically refer to the economic
3 theory about the social cost of production as opposed to the
4 actual cost of production and I won't attempt to give you a
5 detailed interpretation on that. But basically the sense of
6 the statement is meant to be that if in fact we locate and
7 produce a barrel of domestic resource, there is a value to the
8 society above and beyond the actual \$12 per barrel of that oil
9 because the difference between the cost of production or the
10 transfer costs and the costs, the selling price, are put back
11 into the economy of the society.

12 The conservation issues, on the other hand, are
13 a negative value in the terms of the dynamics of the society
14 imposing a negative value having people do less, either making
15 fewer cars, fewer roads. It is in a sense talking about social
16 costs, not dollar costs.

17 Q You are talking about the total cost per barrel of
18 OCS oil. You are talking there about dollar costs or social
19 costs?

20 MR. HYMAN: He just answered.

21 THE WITNESS: I'm just talking about a social cost,
22 the cost to society by imposing a negative. A conservation
23 measure is greater than the cost to the society by developing

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1 or producing an additional barrel of oil because the production
2 of that oil implies, in the sense of gross national product,
3 a ripple effect throughout the economy. And I don't profess
4 to be a sophisticated economist. Dr. Gaskins or Dr. Moffet are
5 surely the architects of these words. But it talks about the
6 social costs of an economy which is expanding as opposed to
7 an economy which is negated by conservation measures.

8 Q Do you have any background in economics?

9 A Yes. One course.

10 Q What level course was that?

11 A College level.

12 MR. HYMAN: Don't answer the question.

13 MR. CATTERSON: It's very important because he holds
14 the position of Under Secretary or Assistant Secretary for
15 Budget and Management.

16 THE WITNESS: Program Development and Management.

17 MR. HYMAN: Give him the name of the course.

18 THE WITNESS: Basic economics.

19 MR. HYMAN: Who was your professor?

20 MR. CATTERSON: That's not germane.

21 BY MR. BIALIK:

22 Q Was that an introductory course in economics, one-
23 semester course?

1 A I was the Legislative Assistant to the Congressman.

2 Q Now, going back to the sentence on the top of page 11 --
3 this is true because the barrel has a price in excess of its
4 total cost. Are you talking there about social costs or econom-
5 ic costs?

6 A I'm not talking about it, but the statement is talking
7 about social costs, social value, perhaps price is the
8 wrong term.

9 Q All right, what is the term price referred to? Is
10 that the dollar price or the social price?

11 A It's my interpretation that that's a social price.

12 Q So it's a social price in excess of its total social
13 cost. Is that what --

14 A That's my understanding, yes.

15 Q And that in continuing thus it provides a net savings
16 if it is produced, a net social savings?

17 MR. HYMAN: You asked the question. He answered it
18 two times already.

19 THE WITNESS: Yes.

20 BY MR. BIALIK:

21 Q Now, the previous sentence, as long as the total
22 cost per barrel of OCS oil is less than the price of oil, is
23 that social cost and social price?

1 A That's my understanding, yes. Social price and
2 selling price may be interchangeable in terms of price of oil.
3 The social cost and the selling cost may be exactly the same.

4 Q You say the social price and the selling price may
5 be interchangeable?

6 A That's right. The price of oil may be \$12 a barrel
7 in real economic terms or \$12 a barrel in social terms, social
8 cost versus economic cost.

9 Q Why would those two be equal to one another?

10 A Why couldn't they be?

11 MR. HYMAN: Don't argue. Can you answer his question?

12 THE WITNESS: I don't know. And I've explained
13 earlier that the economists, Dr. Gaskins or Dr. Moffet can give
14 you a much fuller explanation of social theory of costs and
15 benefits.

16 Q Okay, to the best of your understanding in this
17 sentence total cost per barrel of OCS oil is less than the price
18 of oil, we are dealing again with social costs as against social
19 price of oil?

20 A Yes.

21 Q Now, I believe that you told Mr. Like that there were
22 some unpublished FEA reports that were the basis of portions
23 of this PDOD. Do you know --

1 Q In this case it would be you who ultimately set the
2 time frame, wasn't it? 2099

3 A I think generally, with the caveat that the Under
4 Secretary who by that time was incapacitated and was on
5 convalescent leave status, was involved in the time frame set
6 out.

7 Q As of this date of this memorandum, were you respon-
8 sible for the scheduling?

9 A The Bureau may have laid it out for their working
10 forces, a regular chart which laid out tasks to be completed
11 by a certain date.

12 Q Were you the person on March 24, 1975, who had
13 ultimate control over any scheduling?

14 A Ultimate to me would imply the Secretary. I was the
15 person responsible for this project.

16 Q And for the scheduling of it?

17 A Yes, sir.

18 Q I take it then you had the authority to modify the
19 schedule?

20 A That is correct.

21 MR. BIALIK: I will ask the reporter to mark for
22 identification as Plaintiffs Exhibit 13 a memorandum, dated
23 November 15, 1974, from the Acting Assistant Secretary for
24 Fish, Wildlife and Parks to the Assistant Secretary for Program
25 Development and Budget, and after it is marked I ask that it

1 Interior Department sent a response to this?

2 A No.

3 Q Who was Jack Horton?

4 A He was and still is Assistant Secretary for Land and
5 Water in this Department.

6 Q Are you familiar with any proposal by this Department
7 to President Nixon in 1973 for acceleration of OCS leasing?

8 A I am not familiar with a specific proposal in terms of
9 the language of a document. I am aware that this Department
10 supported the general concept of accelerating OCS leasing and
11 development and forwarded that support to the White House.

12 Q Was that in 1973?

13 A To the best of my recollection.

14 Q Could you tell me approximately when in 1973?

15 A To the best of my recollection early in the year, but
16 I don't specifically recall a date. I was not directly involved
17 with the processing at that time.

18 Q Do you know if this was sent to the White House in a
19 written form?

20 A I don't know for a fact that it was; I assume it was.

21 Q Do you know on behalf of the Department who submitted
22 it to the White House?

23 A No.

24 Q When you say that the Department supported the
25 concept, had anybody advanced the concept so far as you know to

1 saw it before.

2 BY MR. BIALIK:

3 Q That is not my whole question. You are wasting my
4 time. I asked if he knew the purpose for which it was prepared
5 and the use to which it was put.

6 A No.

7 Q Do you know whether the Department of Interior at
8 any time decided that energy independence was a goal that the
9 Department should support?

10 A It is a difficult question to answer because the
11 President for whom we all worked during the period of time you
12 are talking about laid out a goal for the administration, and
13 the Secretary in any Cabinet agency, once the goal is estab-
14 lished, either supports it or resigns. Secretary Morton did
15 not resign, so we supported the goal.

16 Q Do you recall when for the first time the President
17 announced that goal?

18 A No.

19 Q Are you referring though to a speech of the Presi-
20 dent?

21 A I don't follow your question.

22 MR. HYMAN: How did you find out about Project
23 Independence?

24 THE WITNESS: To the best of my recollection this
25 Department was engaged in a dialog both before the goal was

1 January.

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2 Q As of last January 1976, was it still in operation?

3 A In January 1976 it had the functions I have already
4 attested to. The confusion arises from a second board that
5 was created earlier that year, earlier in 1975.

6 Q Do you know who Allan Hirsch is or was in January
7 1976?

8 MR. HYMAN: Did you ever hear the name Allan Hirsch?

9 THE WITNESS: He is an employee of Wildlife Service and
10 senior environmentalist.

11 BY MR. LIKE:

12 Q Was he the chief of the Biological Services in January
13 of 1976?

14 A Yes, I believe he was.

15 MR. LIKE: I will ask the document consisting of
16 three pages, a letter dated January 7, 1976, from Allan
17 Hirsch to Frank E. Clarke, Chairman, Outer Continental Research
18 Advisory Group, be marked for identification and shown to Mr.
19 Hughes.

20 (Plaintiffs Exhibit No. 22 was
21 marked for identification.)

22 THE WITNESS: I don't specifically recall ever
23 having seen this letter.

24 BY MR. LIKE:

25 Q In your capacity as coordinator of the Outer

1 Continental Shelf leasing program, did there come to your
2 attention at any time prior to January 7, 1976 any concerns
3 such as those expressed in Mr. Hirsch's letter to Frank Clarke,
4 dated January 7, 1976?

5 A There was over the period that I was the coordinator
6 for the OCS program a continuing discussion about the nature
7 of the baseline study program.

8 Q Were there criticisms that came to your attention
9 over the scope, design or quality of the baseline studies
10 program?

11 A Yes, sir.

12 Q What were the criticisms that came to your attention
13 and by whom were they expressed?

14 A They were criticisms expressed inside the Department
15 primarily by the Assistant Secretary for Fish and Wildlife
16 and his agency, the U.S. Fish and Wildlife Service. There were
17 criticisms from outside the Department by some environmental
18 groups and State agencies concerning the need to totally com-
19 plete the baseline study program prior to decisions being made
20 to lease or not lease in a given proposed area.

21 Q Tell us to the best of your recollection what the
22 Fish and Wildlife Service said by way of criticism of the
23 baseline studies program.

24 A In their professional capacity, they felt it
25 necessary to have more information over a longer period of time

1 and completed studies prior to a decision to lease leases,
2 modified or not at all, in a given area.

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1 Q What type of additional information did they say ought
2 to be acquired and over what period of time? 2105

3 A It varied from area to area. They basically quarrelled
4 with the idea of the benchmark being adequate for environmental
5 studies from their professional viewpoint.

6 Q What did they say was inadequate about the benchmark
7 study from their professional viewpoint?

8 A As I best remember it centered on the cyclical nature
9 of biological and other marine life that lived in given areas.
10 They felt a longer period of time was necessary in terms of
11 data collected before a judgment should be made to lease or
12 not lease in a given area.

13 Q Did they indicate what period of time should be ob-
14 served with respect to the collection of data before decisions
15 to lease were made?

16 A To the best of my recollection, it varied from area
17 to area. The Atlantic had different types of biological con-
18 siderations than the Gulf of Alaska.

19 Q What did they say regarding the Atlantic?

20 A I don't recall.

21 Q Would there be a document of some type in the Depart-
22 ment of the Interior---

23 MR. HYMAN: Are you asking this witness?

24 MR. LIKE: Yes.

25

1 2106 BY MR. LIKE:

2 Q Could you tell us where we would have to inquire to
3 determine if there is a document setting forth with some degree
4 of specificity the Fish and Wildlife Service's critique of the
5 benchmark for baseline study for the Atlantic?

6 Do you know whether or not the Fish and Wildlife is
7 concerned with the adequacy of baseline study programs and did
8 they set down anything in writing?

9 A To the best of my recollection, their position was
10 reflected in meetings. I am aware of the concerns they have
11 exhibited, but I don't know a specific document that laid it
12 out in a comprehensive fashion.

13 Q Do you recall being present at one or more meetings?

14 A It is difficult to answer because I probably
15 attended 50 to 100 meetings the year I was Coordinator.

16 Q In that cluster of meetings, do you recall being at
17 one or more meetings where the Fish and Wildlife Service pre-
18 sented its position as to the inadequacy of the baseline study?

19 A Specific individuals from the U. S. Fish and Wildlife
20 Service or the Assistant Secretary for Fish, Wildlife and Parks
21 would normally represent a concern at either the baseline pro-
22 gram or the proposed action under consideration or a combination
23 of the two. It is hard for me to separate out a specific meet-
24 ing where a specific objection was raised.

25 Q Were the objections that were voiced and that you

1 heard similar to those expressed in Plaintiffs' Exhibit 22,
2 the letter from Hirsch to Clarke? 2107

3 A It is a difficult question to answer. I think gen-
4 erally they were concerned about the adequacy of the baseline
5 study program.

6 Q You have had a chance to read this letter and I will
7 ask you to again look at it and see whether or not this re-
8 freshing of your recollection helps you to determine whether
9 the specific concerns articulated by Fish and Wildlife as to
10 the inadequacy of baseline studies are similar to those ex-
11 pressed in the letter.

12 MR. HYMAN: Is this the letter from Fish and Wild-
13 life Service?

14 MR. LIKE: Chief of the Biological Services.

15 MR. HYMAN: What year are you talking about?

16 MR. LIKE: I am talking about the 50 to 100 meetings
17 Mr. Hughes says he attended during which time OCS subjects
18 were discussed.

19 THE WITNESS: To the best of my recollection, the
20 arguments offered here are representative of the Fish and Wild-
21 life's concern about the baseline study.

22 BY MR. LIKE:

23 Q Aside from the Fish and Wildlife Service, did their
24 come to your attention in your capacity as Coordinator any
25 criticisms of the adequacy of the baseline studies or benchmark

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1 studies program from other government agencies such as the
2 Environmental Protection Agency, the National Marine Fisheries
3 Service or NOA---

4 MR. HYMAN: Or CEQ.

5 THE WITNESS: To the best of my recollection, all of
6 those agencies expressed some concern.

7 CEQ, as we got into the proposed Alaska sale, was
8 concerned about the adequacy of the baseline study.

9 BY MR. LIKE:

10 Q Were those concerns similar to the concerns expressed
11 in Mr. Hirsch's letter, Exhibit 227

12 A To the best of my recollection, there was a basic
13 difference of opinion in the baseline program between this
14 Department and other agencies.

15 Q The basic difference of opinion was between the
16 Department of the Interior, the Bureau of Land Management,
17 specifically?

18 A The Department of the Interior operated a baseline
19 study program. Its agency was the Bureau of Land Management.

20 Q Who was the difference of opinion between as to the
21 adequacy---

22 MR. HYMAN: He did not say adequacy as to the nature.

23 MR. LIKE: I will rephrase my question.

24 BY MR. LIKE:

25 Q Tell us first what the difference of opinion was and

1 who were the parties who held different views with respect to
2 the issue? 2109

3 A The Department of the Interior in its OCS leasing
4 program goes through a deliberative 14-point process to write
5 an environmental impact statement which lays out and certainly
6 within the requirements of the NEPA Act environmental impacts.
7 It has been the Secretary's position in this Department at least
8 during the period of time I was the Coordinator for this program
9 that until such environmental judgments could be made as laid
10 out in that document that the decision to proceed with the
11 leasing could not and would not be undertaken.

12 The baseline study program as an additive program
13 agreed to by this Department in order to establish a benchmark
14 of biological and other type data that existed in a given
15 water column so that over a period of years that benchmark
16 could be referred back to and subsequently decisions to increase
17 leasing and oil or drilling in a given area could be modified so
18 as to take into account changes which have been made.

19 The baseline study was never intended---

20 Q Just a moment.

21 MR. HYMAN: Let him finish. He is answering.

22 BY MR. LIKE:

23 Q I don't want you to lose sight of the question but,
24 again, under the admonition we want to get through today and
25 go to court tomorrow, I am going to try to give you questions

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1 that are specific enough to answer responsibly without need of
2 a preamble. 2110

3 You have said there was a difference of opinion as to
4 what the baseline study should be.

5 A I was trying to explain the difference of opinion.

6 Q First tell me who were the agencies who had the
7 differences of opinion?

8 MR. HYMAN: Or people in the agency, not necessarily
9 agencies.

10 BY MR. LIKE:

11 Q You have indicated the Fish and Wildlife Service
12 had a particular viewpoint with respect to baseline studies.
13 Was that view different than the viewpoint of the Bureau of
14 Land Management?

15 A Yes.

16 Q Were there any agencies that you know of who also
17 differed with the viewpoint of the Bureau of Land Management
18 with respect to the proper scope and design of baseline studies?

19 A Inside the agency.

20 MR. HYMAN: You just know about purpose. You don't
21 know about scope.

22 THE WITNESS: I can't testify to the scope of the
23 differences.

24 BY MR. LIKE:

25 Q At the moment, if you want to limit your answers in

1 terms of purpose, that is okay.

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2 Now, within the Department of the Interior, other
3 than the Fish and Wildlife Service, were there any other offices
4 or units that differed with the Bureau of Land Management with
5 respect to the purpose of baseline studies?

6 A I can't specifically recall any others.

7 Q At the moment, all you can recall is the Fish and
8 Wildlife Service?

9 A That is correct.

10 Q Outside the Department of the Interior, you have
11 identified the Environmental Protection Agency, the National
12 Marine Fisheries Service, NOAA---

13 MR. HYMAN: He didn't say anything about NOAA. Did
14 you say anything about NOAA?

15 THE WITNESS: It was included in the group.

16 BY MR. LIKE:

17 Q You indicated that group also had a viewpoint with
18 respect to baseline studies and the purpose of baseline studies,
19 is that correct?

20 A They expressed concern over the baseline study pro-
21 gram.

22 Q Would you say there was a difference of opinion between
23 the agencies I have just mentioned -- EPA, NOAA, NMFS and the
24 Bureau of Land Management -- as to the purpose of baseline
25 studies?

1 A I can't answer it that simply yes or no because it
2 varied from agency to agency as to their view.

3 Q Was there a difference of opinion as between the
4 Bureau of Land Management and EPA with respect to the purpose
5 of baseline studies?

6 A I can only specifically recall with respect to the pro-
7 posed Alaska sale. There was a good deal of discussion with
8 respect to a good deal of difference of opinion.

9 Q Do you know of a difference between the mid-Atlantic
10 and North Atlantic?

11 A I can't specifically recall.

12 Q What was the difference of opinion with respect to
13 Alaska between EPA and BLM?

14 A Generally, EPA would have liked to have had longer
15 studies over a period of years with a greater collection of
16 samples.

17 Q Let's move on to NOA. Was there a difference of
18 opinion between NOA and the BLM with respect to the purpose
19 of baseline studies in any of the frontier areas?

20 A Yes, to the extent NOA wanted to take the program
21 over.

22 Q Aside from taking the program over, was there a
23 difference as to what the purpose of the study should be, the
24 period of time for collection of data, type of data to be col-
25 lected, and so forth?

1 A To the best of my recollection, they expressed sim-
2 ilar concerns about the period of time over which the program
3 collected the initial sampling.

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4 Q Did they give any reasons that you are aware of as
5 to why they wished to take the program over?

6 A Their reasons basically centered on a bureaucratic
7 fight for budget dollars. It was a \$50-million program.

8 Q Did they express anything about their professional
9 personnel having more professional capability of handling and
10 evaluating and designing baseline studies than the Bureau of
11 Land Management.

12 A They offered those arguments but, in fact, we contracted
13 with them for a good many parts of the program.

14 Q They offered those arguments?

15 A They offered those arguments.

16 Q Was there a difference of opinion between BLM and NOA
17 with respect to baseline studies in any of the frontier areas?

18 A I am not sure there was a difference as far as pur-
19 pose was concerned, but as to the purpose, yes.

20 Q What was the difference between BLM and NOA as to
21 how the program was to be carried out?

22 A NOA was generally supportive of arguments made by
23 the States and the environmental groups that the program ought
24 to be operated over a much longer period of time.

25 Q Did they give reasons for that position as to why it

1 should be operated over a longer period of time?

2 A Other than statistical accuracy, I can't recall any
3 specific reasons.

4 Q That leaves us with the category of others. Aside
5 from NOA, EPA and NMFS, were there other governmental agencies
6 that differed with BLM as to the purpose or the manner in
7 carrying out the studies.

8 A The President's Commission on Environmental Studies
9 expressed some concern.

10 Q Were their concerns similar to those voiced by the
11 other agencies you have identified?

12 Do you recall what the concerns were that were
13 expressed by the CEQ that put them in a position of differing
14 with the BLM?

15 A To the best of my recollection, they expressed similar
16 concerns.

17 Q Similar to whom?

18 A Similar to the other people who differed with the
19 Department over the purpose and adequacy of the baseline study
20 program.

21 Q Were you also indicating that certain States
22 differed with the BLM as to the purpose and adequacy of the
23 baseline study program?

24 A Yes.

25 Q Do you recall which States?

1 A Alaska, California, New Jersey and several of the New
2 England States.

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3 Generally, most of the States that were under con-
4 sideration for proposed leasing complained to one degree or
5 another about the baseline study program, confusing it with
6 the environmental impact statement process.

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2116 BY MR. LIKE:

Q Was there a practice or a custom in the Department concerning the preparation of notices of sale in advance of proposed sale dates?

MR. HYMAN: Do you mean was it done?

BY MR. LIKE:

Q First, was there a normal practice?

MR. HYMAN: Ask him if he ever sold anything. What knowledge do you have?

MR. LIKE: First, I must know if -- he started to say, when he was interrupted, there was a practice here with respect to when a notice of sale is prepared.

MR. HYMAN: Let's get down to the basics.

MR. LIKE: I think I am at the basics. I am trying.

THE WITNESS: There was a practice in this Department following a decision by the Secretary to proceed with a sale as proposed or as modified, or not to proceed if in fact it was the two former conditions either as proposed or modified, the Bureau of Land Management was directed to prepare a sale for that given decision of the Secretary.

BY MR. LIKE:

Q Was this practice reflected in some manual or some policy statement setting forth exactly how you do it, when you do it, and what you do in regards to a notice for sale?

A I don't know for a fact. The procedure was laid down

1 in the Department manual.

2 Q Was this the practice that was followed while you
3 were in the Office of Program Coordination? 2117

4 MR. HYMAN: What was the practice.

5 MR. LIKE: He just testified what the practice was
6 a moment ago.

7 MR. HYMAN: Do you mean the Bureau of Land Management?

8 THE WITNESS: This was the practice followed during
9 my tenure as OCS program planning coordinator.

10 BY MR. LIKE:

11 Q Do you know with regard to other lease sales where
12 this practice was followed?

13 A To the best of my recollection, this practice was
14 followed on each lease sale during my time in the Department.

15 Q Do you know whether or not this practice was fol-
16 lowed in the case of Mid-Atlantic sale 40?

17 A No.

18 ars
19 fls.

1 A I don't recall that. As I recall, the President
2 just came back from California and just had a meeting with
3 Governor Brown so the discussion on the California sale was
4 a logical follow-up.

5 Q Mr. Frizzell also testified from time to time he had
6 discussions with Glen Schleede of the Domestic Council regarding
7 the OCS.

8 Did you ever have conversations with Mr. Schleede?

9 A Glen Schleede was the staffman for the Domestic
10 Council. The answer is yes.

11 Q Were these conversations between you and Mr. Schleede
12 held between September 29, 1975 ---

13 A Both before and after.

14 Q Do you recall on how many occasions you had discussions
15 with Schleede?

16 A On many occasions.

17 Q Many occasions?

18 A Yes.

19 Q Did you ever discuss with him the accelerated leasing
20 program?

21 A I can't specifically recall but I am sure I did.

22 Q Do you recall whether or not there were any written
23 communications between you and Schleede concerning the accelerated
24 leasing program?

25 A I can't specifically recall written communications.

1 Q Do you recall Mr. Schleede ever expressing an interest
2 in the decision to accelerate OCS leasing and when such decision
3 would be rendered?

4 A Mr. Schleede is an agent of the President's immediate
5 office, was interested in knowing what the time table was for
6 construction of the PDOD's circulation.

7 MR. HYMAN: Irving, you have a minute and one-half
8 and the man is then leaving.

9 BY MR. LIKE:

10 Q When was the last conversation you recall you had
11 with Schleede before September 26, 1976 at which there was a
12 discussion of accelerated leasing?

13 A I couldn't recall.

14 Q Was it sometime after August, 1975?

15 A I can't specifically recall. I talked to Schleede
16 regularly.

17 Q What was said by you or him about accelerated leasing
18 when you spoke to him on one or more occasions?

19 A It was basically the discussions where discussions
20 in the context of my keeping him advised of where we were in
21 the process.

22 Q What did he say to you and what did you say to him?

23 MR. HYMAN: Can you be more specific?

24 MR. LIKE: He said he spoke to him on many occasions
25 and in some of those instances, Mr. Schleede expressed interest

in Evidence

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

X

COUNTY OF SUFFOLK, COUNTY OF NASSAU,
TOWN OF ISLIP, TOWN OF HEMPSTEAD, TOWN
OF NORTH HEMPSTEAD, COUNTY OF NEW YORK,
TOWN OF OYSTER BAY, TOWN OF HUNTINGTON,
and the BOARD OF TRUSTEES OF THE TOWN OF
HUNTINGTON

Plaintiffs

vs.

SECRETARY OF THE INTERIOR and CURTIS J.
BERKLUND, individually and as Director
of the Bureau of Land Management

Defendants

Civil Action
No. 75 C 208

NOTICE OF MOTION
PURSUANT TO RULE
37a - FEDERAL
RULES OF CIVIL
PROCEDURE

District of Columbia
Wednesday, July 15

Deposition of

RUSSELL W. PETERSON

witness called for examination by counsels for the plaintiffs,
pursuant to notice, at the office of the witness, 722
Jackson Place, N.W., Washington, D.C. 2006, before Sherry
L. Bice, official shorthand reporter, beginning at 10:00
o'clock a.m., when were present on behalf of the respective
parties:

1 Q In portions from exhibit No. 1 through No. 4, do
2 you recall testifying before other Congressional Committees
3 or other Governmental agencies with respect to the subject
4 of separation, exploration and production of the Outer
5 Continental Shelf Leasing?

6 A I discussed that subject many times. I can not
7 enumerate to you precisely when and where I did it.

8 Q May I ask you, again, when you sign and return
9 the deposition, if you wish to state any other occasions,
10 please do so at that time?

11 A Okay.

12 Q During which time did you testify on that same
13 subject?

14 MR. LEUDMAN: Are you asking for testimony as
15 opposed to simple communication?

16 MR. LIKE: Testimony given to Congressional
17 Committees and Governmental Agencies.

18 BY MR. LIKE:

19 Q When did you first reach your opinion concerning
20 the separation of exploration of production which you testi-
21 fied to in the hearings before the Ad Hoc Select Committee
22 on June 17, 1975?

23 A This doesn't come on a breath of genius. This is

1 an evolutionary process.

2 I would be unable to specify some date. I know that
3 I came on this job on November 30, 1973. And, at that time,
4 they were deeply involved in this year long study on the
5 Outer Continental Shelf. Over the months from the time that
6 I arrived until I made this official testimony before the
7 Congressional Committee, we arrived at the conviction that
8 it was important to give detailed consideration to the de-
9 velopment plans prior to carrying them out. And, as a re-
10 sult of that, made such statements to which you have pre-
11 viously referred.

12 Q Would it be fair to say that you reached your
13 opinion on that subject during the course of study of the
14 CEQ or as the result of the evidence that came to your
15 attention during that investigation?

16 A That study, no doubt, influenced us. But, the
17 overall concern about the National Environmental Policy
18 Act and the Environmental Impact Statement process has
19 taught us, it convinced us that we need to very thoroughly
20 consider implications of our actions before we undertake
21 them.

22 So, this is just one implimentation of the general
23 policy and how we developed, here, about how decision makers

1 should approach their jobs. That they should give due
2 consideration to environmental impact.

3 Q In your statement before the Ad Hoc Committee
4 on June 17, at page 93, you made the following statement,
5 " We believe that a procedure which more clearly separates
6 decisions to lease and decisions to development with, I
7 think it appropriate that there be state and local partici-
8 pation at each stage of the process. This would provide
9 the soundest basis for dealing with the impact of OCS
10 development."

11 Can you identify any particular data source or other
12 evidentiary material which you relied on, if you relied on
13 any, in reaching that opinion as to the feasibility and de-
14 sirability of separation and production in the OCS process?

15 A The one document that we produced, which has some
16 bearing on it was on dealing with OCS oil and gas environ-
17 mental assistance report of our council which came out in
18 April of 1974.

19 As I previously stated, the National Environmental
20 Policy Act, the guide line of SEQ for administering impact
21 statements all provided the background which would lead
22 one to the desirability of having a clear separation between
23 decisions on development.

1 and No. 4.

2 A Some of the documents were probably not available
3 at the time of the first date that you gave me.

4 I refer to all of the information available at the time.

5 Q So, the documents, chronologically, would indicate
6 what were available at the time of your testimony?

7 A That is correct.

8 Q And, at each instance, when you testified, you
9 were aided by what ever staff reports had then been composed
10 and shown to you?

11 A Yes. I make a habit of doing my homework.

12 Q Are your views, concerning the separation of
13 exploration and production, the same today as they were when
14 you testified on June 17, 1975?

15 A The central thrust is the same. Yes.

16 Q Would you, for the record, state what you preface
17 to be the "thrust" of your views concerning the separation
18 and exploration of production?

19 A As I think that the information which is vital to
20 determining the impact of the development is not acquired
21 until after it -- much of it until after the preliminary
22 part of the exploration is completed.

23 For example, when one does not know whether there is

1 any oil or gas on the Outer Continental Shelf, it is difficult
2 to get very serious about the impact methods and results.

3 Secondly, to focus in on what maybe an on shore impact
4 and what magnitude once oil has been discovered and make
5 some estimate of the quantity that might be there and the
6 land has been developed for where that might be brought ashore
7 and how.

8 Then, one is in a much better position to judge the
9 impact. And, so for our objective is to see that the de-
10 cision made measures up to these impacts as defined by the
11 new formation.

12 MR. HYMAN: You are talking about a production
13 decision as apposed to an "X" location decision?

14 MR. PETERSON: Yes. Rather than making one de-
15 cision to proceed with exploration plus development, we
16 think it is important to weight the impact of the develop-
17 ment decision in light of the information aquired from "X"
18 location before finalizing the development decision.

19 MR. HYMAN: And you do that through base-line
20 studies?

21 MR. LIKE: Would you mind? You will have your
22 chance latter, or on cross-examination.

23 (off the record discussion.)

1 BY MR. LIKE:

2 Q Dr. Peterson, I would like to call your attention
3 to some specific statements which were made when you testified
4 before the Select Committee on June 17 and ask you whether
5 you subscribed to those statements today.

6 You stated, on page 124, "the crux of the issue therefore
7 is whether or not to go ahead with leasing in the absence of
8 the geological, geophysical and corporate planning information
9 which would make it possible to undertake such impact assets."

10 A Did you ask me a question?

11 Q I am asking you whether that statement is one that
12 you subscribe to today?

13 A The one word that I get hung up on, currently, in
14 that statement is the word "leasing". As I said a few
15 minutes ago, the important thing is whether or not to go
16 ahead with the development in the absence of the information
17 which would accrue from the exploratory phase.

18 In regard to this specific statement, referring to
19 leasing, certainly I believe that we need to bring that in-
20 formation which is available to bear on the leasing decision.

21 But, some of the information, which is available to the
22 final decision, be developed, can not be available prior to
23 someone going ahead with the exploratory investigation

1 which calls for a precision of operation, calls for a lease
2 before they can proceed with exploration. 2127

3 Q How would you modify the present leasing system,
4 under your views, concerning seperation of exploration and
5 production?

6 MR. HYMAN: What is his opinion?

7 MR. LIKE: Yes. We are talking about his opinion.

8 BY MR. LIKE:

9 Q You have indicated in your statement --

10 A As I expressed it, I thought, quite effectively in
11 the statement how we would remedy that that be done.

12 We believe that by going through this three step process,
13 which I refer to in this statement, by having a pragmatic
14 statement followed by an area statement, followed by an
15 assestment of the environmental impact once the development
16 plans were preposed. Those three steps will fulfill the
17 concerns or take care of the concerns that we have.

18 Q I am interested in knowing how much information
19 you think ought to be in hand before the leasing decision
20 is made. I am talking about an exploratory lease. I am
21 talking about a production. lease.

22 MR. JENSEN: Objection to the form of the question.
23 How much information and concerning what?

1 MR. LIKE: Concerning Environmental data. Con-
2 cerning base-line information and any other information that
3 you regard as germane in making an intelligent management
4 decision regarding leasing and production?

5 MR. JENSEN: If you know.

6 MR. PETERSON: Well, today the lease is given for
7 exploration and development. But development does not
8 proceed until a development plan has been prepared, which
9 has to get the approval of the Secretary of the Interior,
10 in order to get a lease to proceed with the exploration.

11 I think it is important to have gone through the first
12 two steps, the dramatic statement and the area wide statement.
13 Those statement should include the elements of a good impact
14 statement, as we have defined in general; to determine the
15 impact on the environment and to consider all alternatives
16 in which the program might be carried out.

17 In any area, there is a great spectrum of knowledge
18 that one can acquire through out the agency. And, it is a
19 matter of judgment as to how much knowledge one need wait
20 for or can wait for before making a decision.

21 I am sure that one hundred years from now, we will still
22 be studying the impact of much of the biological and chemical
23 and physical problems that are caused by some of our programs.

1 I think that all of us would agree that it would be kind
2 of foolish to prefer that we wait until we had the ultimate
3 knowledge of each subject until we moved ahead.

4 So, I believe if we focus on those three steps, which
5 I have referred to in the testimony, that we are diligent in
6 doing those steps, that we will properly protect the environ-
7 ment and be able to take advantage of the opportunity for
8 getting energy from out Outer Continental Shelf.

9 BY MR. LIKE:

10 Q Are you familiar with the documents which were
11 published by the office of Technology, entitled, " The
12 Analysis and Feasibility of Oil and Gas on the Outer
13 Continental Shelf" issued in May, 1975?

14 A I know that it exists. but, I would not say
15 that I am currently familiar with it so that I could discuss
16 it.

17 Q Do you recall whether this was one of the documents
18 you meant which was used by your staff in developing their
19 recommendations and reports to you concerning the question
20 of seperation and production?

21 A I do not know that.

22 MR. EDDY: That was not. It was published after
23 our recommendations were developed.

1 BY MR. LIKE:

2 Q What specific type of information should be ob-
3 tained in the exploratory stage before a lease is issued?

4 MR. JENSEN: In the witness's opinion.

5 MR. LIKE: Of course.

6 MR. PETERSON: Today, there is no means for
7 exploration to proceed until a lease has been given.

8 BY MR. LIKE:

9 Q That is the present system. Correct?

10 A The present system.

11 Q You are purposing a change in that system?

12 A No. I was not purposing a change in that system.

13 I was purposing that once a lease has been given to proceed
14 with the exploration. Today, they give a lease to proceed
15 with exploration plus development subject to the regulations
16 of the Department of Interior. One of which regulation calls
17 for a development plan to be approved after exploration but
18 before development.

19 Q Is there any difference between what you are
20 saying is desirable and the present system?

21 A The present system is currently being operated
22 and projected and will accomplish the goal which we were
23 recommending.

1 There are a number of ways that you can do it. We
2 believe that by going through the three steps that I talked
3 about, under the present law, that you can accomplish what
4 we are talking about.

5 The emphasis we are placing is to make sure that that
6 third step, the approval of the development plan, weighs
7 the impact of the specific development which can not be
8 determined until after exploration.

9 Q Is there any advantage in acquiring approval of the
10 development before the lease is issued rather than after the
11 lease is issued?

12 A Right down to the present law, it is impossible
13 to get the critical data information that is needed for
14 making the decision of the development plan until the lease
15 is issued to do the exploration.

16 Q Why is that?

17 A It is because the Congress has directed it.

18 Q Well, I don't think that you have answered my
19 question, which is, is there an advantage, in your opinion,
20 in requiring the approval of a development plan after certain
21 exploration has been done, before a lease is issued, as dis-
22 tinguished from what I believe you understand the present
23 system to be, which is that the leasee gets the exploratory

1 and development rights, simultaneously, and thereafter there
2 is a development plan issued after the oil company has the
3 lease?

4 A But, the lease provides for him to do certain
5 things, under certain regulations of the Department. One
6 of which is to develop a development plan which has to be
7 approved by the Department.

8 Q That is correct.

9 A And, the whole thrust of our testimony, what I am
10 saying here, today, is that prior to approving that develop-
11 ment plan, the impacts of that plan on the environment, off
12 shore and on shore should be thoroughly weighed. And, that
13 you can not define those impacts until after you have carried
14 out the preliminary exploratory program.

15 Now, you can not do the later until you have a lease
16 to go ahead with the exploration.

17 Q You say that you can not do the later until you
18 have a lease because that is your understanding of the
19 present law; is that correct?

20 A That is absolutely right.

21 Q I am asking you now, whether or not, in your
22 opinion, there is an advantage in requiring a development
23 plan to be approved before the lease is issued?

1 A There would be a disadvantage in doing that, in
2 my view, because you would have too little information on
3 which to base that decision.

4 You can not even talk seriously about what kind of on-
5 shore and off-shore impact there will be until you know
6 whether any oil was out there or not or how much oil was
7 out there, where the platform would be located, where the
8 pipeline would come ashore and who is going to develop such
9 a proposal until he knows whether there is any oil there
10 or not.

11 Q Suppose you had an exploration effort of the mag-
12 nitude that you think is desirable in the process of that
13 exploration effort. You obtained more complete information
14 as to the extent of oil and gas resources in that particular
15 area. Suppose you also obtained and completed base-line
16 environmental data for that area. Would it be an advantage
17 to use that information and require it respectively to
18 submit a development plan, taking into account the information
19 that has been obtained through exploration and the base-line
20 information and to obtain approval for that development plan
21 before a production lease is given to that leasee?

22 A That was one of the policies that we considered
23 and which was discussed at the hearing to which we referred

1 . to earlier.

2 We think that the present system can accomplish the
3 same end. The requirement of a development plan and the
4 diligence on the part of the Department of Interior, requir-
5 ing that that plan adequately reflect the environmental
6 impacts. This should take care of our concern.

7 Q Suppose you had a lease issued to a particular
8 oil company for which it has spent a substantial sum of
9 money for a front bonus, made certain investments and
10 committments and suppose it was then discovered that the
11 development plan, purposed by that leasee would have adverse
12 environmental impacts. If that development plan were dis-
13 approved, would the government have to repay -- would the
14 government have to cancell the lease and repay the front
15 bonus amount made by the leasee?

16 MR. JENSEN: Objection. That is a leading question.
17 There is no indication or evidence to indicate that the
18 witness is anymore qualified to render an opinion on that
19 than I am. And, I am not qualified. So, I am objecting
20 to that question.

21 MR. CATTERSON: That is a self-serving question
22 if I ever heard one.

23 MR. JENSEN: It is a question of law.

1 I think perhaps there was a break down in communication
2 between us.

3 My question is, is there advantages to requiring
4 approval of a development plan prior to the issuance of a
5 production lease? Not prior to the issuance of an explor-
6 ation lease?

7 A What you are talking about is some hypothetical
8 situation. I was trying to separate the hypothetical from
9 reality. Today there is one lease that deals with leasing
10 plus production. The procedure calls for a development
11 plan inserted between exploration and production. We
12 believe that that development plan, properly administered,
13 will fulfill the functions that we are talking about. We
14 believe that it is essential to have a development plan
15 developed after exploration.

16 Now, you raised a hypothetical situation about two
17 different leases, apparently one for exploration.

18 Q Yes.

19 A Are you asking my opinion whether legislation
20 would make that effective or not?

21 Q First, let me ask you whether you would favor
22 separate leases and exploration leases and then a production
23 lease and a requirement that a development plan be issued

1 before the granting of a production lease?

2 A This is a subject which was discussed at the
3 Senate hearings.

4 Q My question is, do you ~~or~~ for that? Let us not
5 argue wheter it is permissible under the present law. That
6 is an issue that lawyers will argue.

7 But, my question is whether you would favor the separa-
8 tion of the legal process of the two phases of th exploratory
9 lease and the production lease with exploration taking place
10 under the exploratory lease and withthe development plan
11 approved prior to the issuance of the production lease?

12 A Currently, we favor making the present system
13 work. We think it can be made to work and accomplish the
14 objection that i discussed here several times. And thus,
15 we are not promoting the new legislation which would have
16 a development lease--I mean an exploration lease followed
17 by a development lease.

18 We think that following the lease with the development
19 plan and coupling that with the provision of the Coastal
20 Zone Management Plan, gives us a pretty good system for
21 operation.

22 Q Now, I am going to ask you a hypothetical question.
23 This question, I do not believe, can be answered by simply

1 saying what you are doing now.

2 The question is, if it were legally possible, either
3 under the present law or regulations of the National Environ-
4 mental Policy Act or under new legislation, to have two
5 stages; an exploration lease and, subsequently, a production
6 lease with the requirement that a development plan be ap-
7 proved as a condition to and prior to the issuance of the
8 production lease, would you regard that method of OCS
9 Leasing Management of having advantages over the present
10 system?

11 MR. HYMAN: Or disadvantages?

12 MR. LIKE: That can be your question on cross-
13 examination.

14 MR. HYMAN: If I ever get to it. It is 11:20.

15 MR. PETERSON: If the track record of the future
16 shows that this current program involving the three steps
17 that I have already discussed did not provide for the
18 development of the OCS, with adequate respect for environ-
19 mental quality, then the procedure that you discussed, as
20 an alternative way to do it, I would support.

21 I believe that the separation of these two phases by
22 some kind of process is basic. And, as I said now for the
23 tenth time, approximately, the current mechanism of providing

1 for the development plan and for it to be in harmony with
2 the Coastal Zone Management Plan, is a pretty good means
3 of accomplishment.

4 Q Are you able to tell us now what the mechanism,
5 should a development plan be disapproved by the Secretary
6 of the Interior, after a lease has been issued?

7 MR. JENSEN: If you know.

8 MR. PETERSON: Do I know what happens?

9 BY MR. LIKE:

10 Q Yes.

11 A The Secretary of the Interior can suspend an
12 operation, requesting that the developer go back and redo
13 his development plan. But, he can not indefinitely postpone
14 the production without some due compensation.

15 There would be some merit in legislation which would
16 facilitate a decision by the Secretary of Interior to
17 cancel production plans with some appropriate compensation.

18 Q If you find merit in that type of legislation,
19 assuming legislation is necessary to achieve that result,
20 would you also find merit in a system which gives the
21 Secretary the right to withhold the issuance of a production
22 lease if the development plan submitted, prior to the request
23 of the lease, were unsatisfactory to him?

1 " Do I think that there would be an advantage, from an
2 environmental standpoint, if there were a law which required
3 a two phase leasing system, one for exploration and one
4 that would be followed after exploration with one for pro-
5 duction."

6 Although we considered such an alternative, and that
7 was asked and rejected by the Senate, I believe that the
8 current system can be made to work to fulfill the objectives
9 of the Natural Environmental Policy Act. It would adequately
10 protect the environment.

11 I recommend that we work diligently to make the present
12 system so that it will work. Period.

13 BY MR. LIKE:

14 Q With due respect, you didn't answer my question.

15 You repeated the statement that you made at the beginning
16 that you would like to make th present system work.

17 My question is this, very specifically, do you see an
18 advantage, from an environmental standpoint, in having a
19 two stage system after an exploration lease is granted and
20 under which exploration proceeds and environmental data is
21 collected; that the Secretary have the right to approve
22 development plans as a consideration to and before the issuance
23 of a production lease?

1 A At this point my answer is "no".

2 Q In your testimony before the Select Committee, on
3 page 131, there was an exchange between you and Mr. Studds.
4 I quote from Mr. Studds. " Once the lease has been purchased
5 and the price has begun, including the exploration, does the
6 Department of the Interior, at the later stage, have the
7 right to step in and say we do not think that should be
8 developed, even though you did buy this lease? If we did
9 not have that right then you are saying that step 3 would
10 have no meaning? Mr. Peterson: It is my understanding that
11 the Interior Department has--yes, that has been done with
12 the Assistant Secretary and Hugh here who has been involved
13 with that and he will testify on that matter, if you wish."

14 Is that a fair reproduction of the exchange between you
15 and Mr. Studds? This is on the occasion of your testimony on
16 June 17th before the Select Committee.

17 A I believe so.

18 Q When you testified before the Select Committee, I
19 believe that you said that once a lease has been purchased
20 and exploration begun, that the Department of Interior, at
21 the later stage, has the right to step in and say that we do
22 not think they should develop even though the oil company
23 bought the lease?

1 mechanism such as separating exploratory leases from
2 developmental plans. In your opinion, what are some of
3 the advantages that would accrue from that sceme?

4 A You mean that the previous suggestion does not
5 adequately take care of that? The statement that you have
6 in the records would say that, over and over again.

7 Q I didn't ask you the question before. I would
8 like to concisely hear from you. In your mind, when you
9 made that statement, did you have certain factors or advantages
10 in mind when you made such a statement? When you said that
11 it had merit or some merit?

12 A Yes. I think that having two phases, the exploratory
13 phase and the approval of the development phase is important
14 because you do not have enough information at the time you
15 start the exploration phase to adequately cope with the
16 question of what impacts will develop .

17 The exploratory phase gives you the critical information
18 that you need. Such as, is there any oil and gas there?
19 If so, about how much and whereabouts in the area? How
20 would it be brought ashore? Where would the production
21 platform be located? What kind of platform? What facilities
22 would be required on-shore? What would it mean to the in-
23 crease in population? To increases in taxes in the area as

1 a result of services required for the community? What will
2 it mean to coastal zoning management plans which have already
3 been developed? Those are some of the factors which can
4 not be resolved until you have that basic data from the
5 exploration phase. Both of those can be phased up by different
6 approaches. One of which is the one that I think is being
7 carried out today and will fulfill that requirement.

8 Q I just asked you for the factors, I really didn't
9 ask you for that.

10 A I just volunteered that for you.

11 MR. BIALIK: I have no further questions.

12 MR. LIKE: I have just a few.

13 MR. HYMAN: I thought that you were through,
14 James.

15 MR. LIKE: I know. I just had a chance to read
16 these reports.

17 MR. HYMAN: Let us go.

18 MR. CATTERSON: Why don't we put this over for
19 another day?

20 MR. HYMAN: No. We are going to try for this
21 on the 20th and I don't want to come back. We don't have
22 as much money as the county of Nassau.

23

1 MR. CATTERSON: It is within the witness's com-
2 petence to testify to that.

3 MR. HYMAN: I am glad that you said that.

4 BY MR. JENSEN:

5 Q Is it your expectation that the base line studies
6 and the coastal studies, based upon what you know about the
7 OCS program, will be substantially compensated to the period
8 prior to the production of the mid-Atlantic area?

9 A Infact, that is a most critical factor here; why
10 you need a development plan because you have more information
11 available at that time.

12 Q And, when you testified earlier about the desirabil-
13 ity of a time interval because of the exploration decision
14 and the production decision, were you referring to the time
15 interval contemplated in your statement given to the House
16 Ad Hoc Select Committee?

17 A Yes, it was.

18 Q And, in answering the questions of Mr. Like, you
19 were referring to the proposal contained in that statement?

20 A Yes, that is right.

21 Q And, is it your understanding that the Department
22 of the Interior, thus far, is fixing steps to implement the
23 kind of proposal that you outlined in your testimony before

1 the House Ad Hoc Committee?

2 MR. LIKE: Objection. There is no foundation as
3 to what the Department of Interior has undertaken to do.

4 MR. JENSEN: Question withdrawn.

5 BY MR. JENSEN:

6 Q At page 10 of exhibit No. 2, I believe, in the
7 statement which you submitted to the House Ad Hoc Select
8 Committee, you stated, and I quote, : the basic question is
9 how to implement a workable system. The Interior Department
10 believes that it is possible to accomplish this under the
11 present OCS Plan Act. We understand that the Interior
12 Department is actively studying the administrative steps
13 necessary for this kind of more complete view or develop-
14 ment plan following exploration." Is that your understand-
15 ing today?

16 A Yes, it is.

17 Q Is it your testimony that, if in fact this is
18 done by the Department of Interior, this will completely
19 address all of the environmental concern which is outlined
20 in this statement to the Ad Hoc Committee?

21 MR. BIALIK: I don't understand, gentlemen, what
22 that means. What is "this"?

23 MR. LIKE: If what steps are completed by the

1 the Interior Department? There is no foundation to your
2 question.

3 MR. JENSEN: The question is withdrawn.

4 BY MR. JENSEN:

5 Q You previously testified that you felt that the
6 separation of the exploration and development, which you
7 recommended in your statement to the Ad Hoc Committee, could
8 be achieved under the present OCS system; is that correct?

9 A Yes, yes.

10 Q And, to your knowledge, the Department of Interior
11 has been taking steps toward achieving that result?

12 MR. LIKE: Objection. You have not specified
13 what steps. You have asked the witness to appraise implemen-
14 tations of his own recommendations.

15 MR. JENSEN: I think that Mr. Peterson's statement
16 to the Ad Hoc Committee is quite specific. It sets out
17 three specific steps that he feels have to be taken in order
18 to address the environmental concern.

19 MR. LIKE: Well, ask him whether the three steps
20 which he recommended has been implemented by the Interior
21 Department and through what means.

22 BY MR. JENSEN:

23 Q All right; that is a fair question. Would you

1 answer Mr. Like's question; to date and to the best of your
2 knowledge?

3 A Yes. The Interior Department is proceeding to
4 carryout the development plan with provisions which we
5 talked about in the testimony.

6 Q Now, you were previously asked a question concerning
7 comments which the council on environmental equality asked
8 with respect to the Gulf of Alaska, OCS sales. Were there
9 environmental conditions in the Gulf of Alaska that were
10 different from the environmental conditions of the mid-
11 Atlantic which provoked comment on the Alaska situation?

12 MR. BIALIK: You can ask him what provoked his
13 comments but the way that that question is phrased --

14 MR. HYMAN: Okay. Answer.

15 MR. JENSEN: Whether the specific concern in
16 Alaska provoked your same comment?

17 MR. COHEN: Compare the Gulf of Alaska with the
18 mid-Atlantic.

19 MR. PETERSON: They are different. Much more
20 hazardest in the Gulf of Alaska than in the mid- Atlantic.
21 And, our extensive study of the Outer Continental Shelf
22 gave us probable concern about the Gulf of Alaska.

23 And, furthermore, it is a very broad area with tremendous

1 potential, both for getting out oil and gas.

2 Secondly, for causing environmental problems in
3 allocating our limited manpower here. We focused on that
4 particular area. It has rougher seas, the way the currents
5 move, more spills would occur and certain to go ashore.
6 There is a tremendous concern of vital areas for fisheries
7 and bird life. It is one of the most critical areas in the
8 world for earthquakes with the tidlewaves, which accompany
9 earthquakes and, of course, very low tempretures makes it
10 difficult to operate in the area. It has very serious
11 bottom sediment problems.

12 So, the combination of those factors led us to be ap-
13 preciably more concerned about the Gulf of Alaska than any
14 other Continental Shelf Programs.

15 Q Then, is it your testimony that these factors,
16 which you just referred to, do not exist, to the same degree
17 in the mid-Atlantic region?

18 A That is right.

19 Q If they existed in the mid-Atlantic region, would
20 you have commented on them in the final impact statement
21 for sale No. 40?

22 A Certainly.

23 MR. JENSEN: I have no further questions.

UNITED STATES DISTRICT COURT
FOR THE
EASTERN DISTRICT OF NEW YORK

County of Suffolk, County of Nassau,
Town of Islip, Town of Hempstead,
Town of North Hempstead, Town of
Oyster Bay, Town of Huntington, and
the Board of trustees of the Town of
Huntington,

Plaintiffs,

v.

Civil Action No. 75C 208

Department of the Interior, Rogers
C. B. Morton individually and as
Secretary of the Interior, Curtis J.
Berklund, individually and as Director
of the Bureau of Land Management,

Defendants.

AFFIDAVIT OF GEORGE L. TURCOTT

City of Washington)
) ss:
District of Columbia)

George L. Turcott, being duly sworn, deposes and states the following:

1. I am and have been at all times material to this affidavit Associate Director, Bureau of Land Management, United States Department of the Interior. In my present capacity as Associate Director, I supervise and participate in decisions relating to the Department's oil and gas leasing program on the Outer Continental Shelf. I am familiar with the procedures used in determining whether to hold a specific Outer Continental Shelf (hereinafter OCS) lease sale.
2. The procedures employed by the Department of the Interior in determining whether to hold a specific OCS oil and gas lease sale as part of an orderly OCS leasing and development program may be divided into five categories: (1) development of a proposed leasing schedule; (2) tentative selection of lease tracts for a potential sale; (3) site-specific consideration of the potential environmental impacts of a proposed lease sale in an environmental impact statement prepared in accordance with the requirement of Section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. §4332)(C) (1970)); (4)

decision-making as to whether or not to hold the proposed sale, based upon consideration of the economic, technical and environmental aspects of the proposed sale; and (5) if a determination is made to hold the proposed sale, further decision-making relative to selection of tracts to be offered for sale, the terms and special stipulations to be included in any lease issued, and the nature of any special environmental monitoring program to be established.

PROPOSED OCS LEASING SCHEDULES

3. The proposed OCS leasing schedules are developed in order to project the timing, size, and location of specific lease sales for an OCS leasing program. General sale areas are identified and, thereafter, tentative acreage figures are set for each proposed sale on the basis of broad resource knowledge. The goal of the schedule is to provide for orderly development of OCS oil and gas resources and to maintain an adequate contribution of OCS production to the national supply.

OCS LEASING OBJECTIVES

4. Three primary leasing objectives or goals have been set for the Department's OCS program. These objectives are: (1) orderly and timely resource development; (2) protection of the environment; and (3) receipt of fair market value. These objectives have a statutory foundation in the Outer Continental Shelf Lands Act, the National Environmental Policy Act and under 31 U.S.C. §483(a)(1970) (requiring the Federal Government to obtain a fair return for public lands sold or leased), respectively. The three objectives are specifically applied in the tentative tract selection process.

5. The overriding factor in OCS leasing is to strive for a supply of oil and natural gas adequate to meet the demand for these resources, consistent with the protection of environmental values. This is the foundation of and justification for the existence of an OCS leasing program. The tentative acreage selection process must consider the need to balance supply with demand. Acreage is tentatively selected in sufficient amount to engender industry interest and promote a fair market return.

Thereafter, the tentatively selected tracts are subjected to extensive study in preparing an environmental impact statement for a potential sale pursuant to the provisions of the National Environmental Policy Act.

TENTATIVE TRACT SELECTION PROCESS

6. In the tentative tract selection process, the Department gathers and reviews more detailed geophysical, geological, engineering and economic resource information on the area being considered for a possible lease sale. Based on this review, a more refined estimate of the potential supply of hydrocarbons is made. It is the purpose of the initial tentative tract selection process normally to select those tracts which have the highest geological potential.

7. The Bureau of Land Management uses the best information available to it and the Geological Survey concerning the nature and extent of geologic and other technical data and considers the associated level of confidence in such data. This information is used in assessing the relative weight of the geology and the competing considerations of industry interest, environmental protection, economic considerations, and special considerations pertinent to the area in question (e.g., resource use conflicts and water depths).

8. The beginning point in the tentative tract selection process is a request from the Bureau of Land Management to interested Federal agencies to prepare resource reports describing any valuable resources contained within the general area and the potential effect of lease operations upon the resources or the total environment. In particular, the Geological Survey is requested to prepare a summary report describing the general geology and potential mineral resources of the area. 43 CFR 3301.2. The resource reports provide the initial body of material used in evaluating the general area. The reports also point out areas of environmental concern and potential use conflicts, if any.

9. Upon review and analysis of the resource reports, an area is delineated for a call for nominations of tracts for possible OCS oil and gas leasing. A summary of the reports accompany the Bureau of Land Management's recommendation of the area for nominations, which is then submitted

before issuance, for Secretarial approval. If approved, a call for nominations is issued by the Bureau of Land Management. 43 CFR 3301.3.

10. Recently, the Department introduced a two-tier system for selecting potential OCS leasing areas and, from within those areas, specific tracts having promising potential for oil and gas leasing and development. In the first tier the Department invites and encourages all concerned parties representing the oil and gas industry and the general public (State and local governments, academic and scientific groups, conservation and environmental groups, and private citizens) to submit information concerning areas of interest for oil and gas resource potential and areas of environmental concern. Persons responding are asked to rank the areas identified in the request for comments on the basis of oil and gas potential and on the basis of environmental concern. The Department studies and analyzes the comments received in response to the request.

11. In the second tier of the system, industry and other interested parties are asked to provide their views regarding oil and gas potential and environmental concern as to specific tracts within the area or areas considered in the first tier. Such comments will be analyzed in conjunction with all other information and data collected by the Bureau of Land Management in determining whether to proceed with a formal environmental consideration under Section 102(2)(C) of the National Environmental Policy Act for a potential sale in the area and, if so, in tentatively selecting specific tracts within the area to be considered in the environmental impact statement. See 39 F.R. 6541 (February 20, 1974) and 39 F.R. 17777-17779 (May 20, 1974) (Exhibits 1 and 2).

12. The tract nominations, reflecting the degree of industry interest in particular tracts, and the comments in response to the published request, reflecting environmental and other concerns, are studied and analyzed by Bureau of Land Management and Geological Survey scientists. The information and data collected is weighed against the Bureau of Land Management's independent appraisal of resource potential and need to protect environmental values, the detailed geological analysis of the area prepared by the

Geological Survey, the resource reports furnished by other agencies, and other reports which may be pertinent to a particular area, e.g., the Council on Environmental Quality report on possible OCS leasing offshore Atlantic States and in the Gulf of Alaska.^{1/}

13. Based on these analyses, which include preliminary consideration of the potential environmental effects of leasing particular tracts, certain tracts are tentatively selected for more detailed study and analysis pursuant to the Joint Tract Selection Agreement, dated August 19, 1971, which has been entered into by the Bureau of Land Management and the Geological Survey. (Exhibit 3.) The initial tentative selections are made by field offices of the Bureau of Land Management and the Geological Survey and are incorporated in a joint recommendation memorandum. The recommendation memorandum is submitted for review and approval to the Washington Offices of the respective agencies. After review by these staffs, a recommendation is made to the Director, Bureau of Land Management, who, in turn, prepares a memorandum containing his recommendations, which is submitted to the Assistant Secretary, Land and Water Resources and the Secretary for approval.

14. The next procedural stage is public announcement of the tentative tract selections. This is needed to focus information gathering from Federal, State, and local agencies and the public on more specific areas. This will make possible the detailed, tract-by tract analysis deemed necessary to prepare an environmental impact statement in accordance with the provisions of Section 102(2)(c) of the National Environmental Policy Act (42 U.S.C. §4332(2)(C)), which can lead to an informed decision on the proposed action.

15. In preparing the detailed consideration and analysis of the potential environmental effects of a proposed OCS oil and gas lease sale

^{1/} OCS Oil and Gas - An Environmental Assessment, dated April 18, 1974.

required by the National Environmental Policy Act of 1969, the Department strives to keep the size of the area within such limits as will provide a realistic opportunity to develop the needed detail in the environmental impact statement. Consequently, the Department generally does not include as part of the proposed lease sale area: (1) tracts lacking any indication or having only very marginal indications of oil and gas potential and which have not generated nominations by industry; (2) tracts not readily susceptible to development due to the state of technology, e.g., tracts located in water depths of more than 800 meters; (3) tracts situated in an area subject to competing incompatible uses involving a vital national interest, e.g., military operations involving the national defense; and (4) tracts the development of which would, at that time and under then existing circumstances, involve clearly unacceptable environmental hazards.

16. The tentative tract selections do not in any way constitute a fixed commitment to include the tracts in any potential lease sale. The designations may be withdrawn in whole or in part at any time prior to actual sale, particularly if it should be determined that leasing of designated tracts would not be environmentally acceptable.

ENVIRONMENTAL CONSIDERATION

IN THE SELECTION PROCESS

17. In the tentative tract selection process, the Bureau of Land Management considers all pertinent environmental data that is available for the area in which tracts will be tentatively selected. The environmental implications of development of tracts within the area is preliminarily reviewed and analyzed at this stage.

18. The assessment of environmental data begins with an analysis of the resource reports prepared by various Federal agencies relative to the general area under consideration. Then the comments submitted in response to the published request relative to the environmental aspects of potential leasing are analyzed. Prior to tentative tract selection, an environmental report is prepared for the Geological Survey by and environmental assessment team. This is done to insure that any tracts tentatively selected will have been subjected to a review for potential environment hazards.

19. Thereafter, a preliminary environmental analysis is prepared at the time the Bureau of Land Management and the Geological Survey are jointly considering the tentative selection of particular tracts to be included in their recommendation. The preliminary analysis is presented in the general form of physical, resource, and socio-economic profiles, using map overlays and written documentation. Information is presented on several categories of environmental concern, including a discussion of conflicting and competing resource uses.

20. This basic information is analyzed and interpreted for potential environmental impact on, or hazard to the other resource uses of the general area from offshore drilling and development, pipeline construction, and oil spillage. From this analysis, potential environmental hazard zones are developed for use in the tentative tract selection recommendation.

21. A summary of these environmental considerations is included in the joint selection memorandum. Tracts or groups of tracts are ranked for their potential environmental impact by relative suitability for leasing. The initial rankings are also used in satisfying the requirement that summary rankings of tracts by potential environmental hazard be included in the environmental impact statement for any proposed lease sale. Such rankings are, however, subject to later change as additional data are gathered, such as the Geological Survey primary potential production data, hearing testimony, study findings, and other sources of information.

SUMMARY -- TENTATIVE TRACT SELECTION PROCESS

22. Thus, the tentative tract selection process is a systematic procedure to delineate a logical, reasonably sized area for further environmental study as a possible site for potential OCS oil and gas leasing. The original size of the area in acreage is modified, as necessary, to maintain the most adequate rate of production possible to meet the demand for these resources and to engender competitive industry interest, consistent with the protection of environmental values. The latter aspect is dealt with more extensively in the environmental impact statement which is then prepared.

ENVIRONMENTAL IMPACT STATEMENT

23. Extensive environmental, economic, and socio-economic studies and analyses are conducted after tentative tract selection. These studies and analyses provide a basis for preparation of an environmental impact statement for any proposed OCS lease sale.

24. A draft environmental impact statement for a proposed sale is then prepared. This statement is designed as a site-specific impact study which, among other things, provides detailed information on a tract-by-tract basis concerning the potential environmental impact of oil and gas operations resulting from the proposed lease sale. The Bureau of Land Management actively seeks extensive Federal and State agency coordination in the preparation of the draft statement.

25. Public hearings are scheduled to be held in the local area of any proposed OCS lease sale. Such hearings would be included to take place no sooner than thirty (30) days after the draft statement has been circulated for comment, submitted to the Council on Environmental Quality, and made available to the public. The hearings provide an opportunity for Federal, State, and local agencies, and interested members of the public to submit written and oral statements on all aspects of the proposal and the draft statement.

26. A final environmental statement is prepared prior to any decision regarding a proposed sale. That statement includes and reflects the data and comments, both written and oral, submitted at the public hearings and any other comments submitted on the draft statement. The final statement is submitted to the Council on Environmental Quality and made available to the public.

POST IMPACT STATEMENT EVALUATION

27. Concurrently with preparation of the final environmental impact statement, a Program Decision Option Document (PDOD) is developed by the Bureau of Land Management. This document discusses the major issues to be considered by the Secretary and identifies the alternative courses of action that are available. The PDOD poses the issue of whether to hold the sale, and, if so,

to publish a sale notice for the proposed sale, and includes the background and analysis pertinent to the issue, possible alternatives giving the pros and cons of each, and sets forth the position of parties having an interest in the proposed sale. The decision document is submitted to the Secretary simultaneously, or nearly so, with the submission of the final environmental statement to the Council on Environmental Quality and the public.

28. Thereafter, but not earlier than thirty (30) days after the final environmental impact statement has been submitted to the Council on Environmental Quality and made available to the public, and not earlier than ninety (90) days after the draft statement has been made available to the same parties, the Secretary would make a decision as to whether or not a sale will be held, or whether it should be deferred.

29. If a decision is reached to hold a sale, decisions are made regarding which tracts will be offered and what terms will be included in any lease issued.

30. If the Secretary determines that a lease sale will be held, a notice of sale is published in the Federal Register which, among other things, identifies the tracts to be offered for lease and the lease terms, including any special stipulations to be imposed.

31. The process used in arriving at a decision as to whether or not to hold any proposed sale is one in which the Department strives at every point to avoid or minimize the potential environmental impact of lease operations in the proposed sale area, and to reduce conflicts with other resource uses in that area. Any decision made comes only after input from a broad spectrum of interested parties, such as Federal, State, and local agencies, the oil and gas industry, academic and scientific groups, environmental organizations, and members of the public.

32. Should there be a decision to hold any sale, the tracts selected for lease sale would be offered for competitive sale. Sealed industry bids would be opened and read.

33. After weighing the bids against the Department's evaluation of the tracts offered, leases would be issued upon those bids which have been accepted.

34. The Department's concern for protection of the general area in which leases may be issued does not stop with the sale. When a need is perceived for further protection of the environment, study and monitoring programs may be established for continuing observation of the effects of lease operations upon the environment. Should the information and the data collected point to a need for corrective action to provide further environmental safeguards, changes could be made, as specifically provided for in the OCS lease form, in the existing regulations and OCS orders governing lease operations and development.

INTERIOR CONSIDERATION OF POSSIBLE
SALE OFFSHORE MID ATLANTIC

35. At the present time, the Department of the Interior is writing a programmatic environmental impact statement, for the proposed program to accelerate OCS oil and gas leasing, the draft statement having been submitted to the Council on Environmental Quality on October 18, 1974. Not only would the before-mentioned draft environmental statement have to be completed, but a Mid-Atlantic site-specific environmental statement would have to be written, as well, before a decision could be made as to whether or not a Mid-Atlantic OCS oil and gas lease sale will be held.

36. The preceding discussion describes the study and analysis conducted in determining whether to hold an OCS oil and gas lease sale.

George L. Turcott
George L. Turcott

Subscribed and sworn to before me, this 10th day of April, 1975.

Shirley K. Higgs
Notary Public

My Commission expires 1-14-1977

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

OUTER CONTINENTAL SHELF OIL AND GAS LEASING

Request for Comments

In order to implement President Nixon's directive to lease ten million acres in and in order to implement more of the purposes and objectives of the Outer Continental Shelf Lands Act, all interested parties representing the oil and gas industry and the general public are invited and encouraged to submit information concerning areas of interest offshore oil and gas leasing and to identify problem areas. This is being done in order to help ensure that scarce resources for exploration and development are employed on the most promising areas consistent with environmental safeguards. Regulations or procedures necessary to implement the other actions announced by the President in his Message relating to Outer Continental Shelf (OCS) leasing will be subsequently published for public comment as they become effective and are not part of this request for comment.

Oil and gas resources of the continental margin, including those beneath the 200 meter depth contour, subject to jurisdiction of the United States are to be considered. Precise continental boundaries between the U.S. and other or adjacent states have not, with some exceptions, been agreed. Accordingly certain areas are or may be subject to dispute. No decision has been made to undertake leasing in actually or potentially disputed areas while efforts are made to reach agreement with the States concerned. In this connection notice is made to the last sentence of paragraph 1 of the Statement of Intent of State Public Notice 320, published in 35 FR 3301 of February 20, 1970.

Leasing in the Cook Inlet of Alaska and the Atlantic OCS is contingent on the resolution of the litigation between the Federal Government and the State of Alaska and Atlantic coastal states regarding areas of jurisdiction or an alternative resolution of the issues. Further, the President's Council on Environmental Quality is conducting studies of the environmental impact of oil and gas production on the continental shelf of the Atlantic Ocean and the Gulf of Alaska. Leasing in these areas will be permitted unless it is determined that oil and gas exploration and development can be conducted in an environmentally satisfactory manner. However, information concerning OCS areas of interest is being

requested at this time in order to identify areas of special resource potential and of environmental value. It is the intention of the Department of Interior to conduct a call for tract nominations on more specific areas after consideration of the comments resulting from this request and, where appropriate, after resolution of State/Federal jurisdiction disputes

and a determination from the CEQ Atlantic and Gulf of Alaska studies that development can proceed in those areas in an environmentally satisfactory manner. Information received in response to this request will also be considered in determining future leasing plans.

The areas to be commented on are as follows:

Atlantic Coast OCS areas:

1. North Atlantic.....
2. Mid-Atlantic.....
3. South Atlantic.....

Approximate location

Bay of Fundy to Cape Cod north of 40° N. latitude and south of 41° N. latitude.
Cape Cod to Cape Hatteras between 40° N. to 35° N. latitude.
Cape Hatteras to Key West south of 35° N. latitude.

Gulf of Mexico OCS areas:

4. East Gulf.....
5. Central Gulf.....
6. West Gulf.....

East of 88° W. longitude.
Between 88° W. to 93° W. longitude.
West of 93° W. longitude to Mexican border.

Pacific OCS areas:

7. Southern California Borderland.....
8. Santa Barbara.....
9. North and Central California.....
10. Washington-Oregon.....

South of 34° N. latitude to Mexican border (except Santa Barbara Channel).
Santa Barbara Channel.
North of 34° N. latitude to California-Oregon border (except Santa Barbara Channel).
Between California-Oregon border and Canadian border.

Alaska OCS areas:

11. Cook Inlet.....
12. Southern Aleutian Shelf.....
13. Gulf of Alaska.....
14. Bristol Bay.....
15. Bering Sea Shelf.....
16. Beaufort Sea.....
17. Chukchi Sea.....

South of 60° N. latitude.
West of 153° W. longitude.
North of 56° N. latitude, east of 153° W. longitude.
South of 58° N. latitude, east of 165° W. longitude.
U.S. waters south of 66° N. latitude.
Between 142° W. and 160° W. longitude.
U.S. waters north of 66° N. latitude, west of 160° W. longitude.

* The line drawn from a point at:

42°19.9' N. latitude, 67°46.9' W. longitude, thence to 42°9.3' N. latitude, 67°40.0' W. longitude, thence 41°42.4' N. latitude, 67°28.8' W. longitude, and ending at 41°15.3' N. latitude, 66°58.9' W. longitude.

Other Areas of Interest may be commented upon by appropriate area designation.

AREAS OF OIL AND GAS RESOURCE POTENTIAL

The following information is requested:

1. Rank by order of oil and gas potential the areas of interest listed above.

2. Outline of geologic structures of areas of interest shown on appropriate maps. All such information will remain confidential on request. Bureau of Land Management official leasing maps may be obtained from: (1) Gulf of Mexico Outer Continental Shelf Office, Suite 2200, The Plaza Tower, 1001 Howard Avenue, New Orleans, Louisiana 70113; (2) Pacific Outer Continental Shelf Office, 300 North Los Angeles Street, Los Angeles, California 90012; or, (3) Alaska

Outer Continental Shelf Office, 121 W. Firewood Lane, Room 270, P.O. Box 1159, Anchorage, Alaska 99510.

3. For each area of interest, estimated time periods required to achieve initial and peak production after a discovery is made, and identification of specific factors that may constrain development for these areas.

AREAS OF ENVIRONMENTAL CONCERN

The following information is requested:

1. Rank with areas of greatest environmental concern first the above areas and indicate specific environmental values which exist and damages which might be incurred.

2. If possible, indicate the location on maps of specific environmental features or hazards to be considered in these areas if their resource potential is devel-

oped (locations where maps can be obtained listed above).

3. Indicate specific actions which may be taken to reduce or eliminate potential conflicts with oil and gas exploration and development activities.

The information should be submitted no later than May 1, 1974, in envelopes or packets marked "Request for Comments on Potential Future, Outer Continental Shelf Oil and Gas Leasing." The information should be submitted to Director, Attention 730, Bureau of Land Management, Washington, D.C. 20240. Copies of the information should also be sent to the Chief, Conservation Division, No. 600, U.S. Geological Survey, National Center, Reston, Virginia 22092.

GEORGE C. TURCOTT,
Associate Director,
Bureau of Land Management.

Approved: February 15, 1974.

JOHN C. WHITTAKER,
Acting Secretary of the Interior.

[FR Doc.74-4126 Filed 2-15-74; 4:51 pm]

[Wyoming 0310786]

WYOMING

Opening Land to Small Tract Application

FEBRUARY 11, 1974.

1. Pursuant to Small Tract Classification Wyoming 0310786 dated September 14, 1971, the following described land will be opened to small tract application as set out below, for sale under the Small Tract Act of June 1, 1938, as amended; 43 U.S.C. 632a-e (1970):

SIXTH PRINCIPAL MERIDIAN, WYOMING

T. 40 N., R. 78 W.,
Sec. 30, lot 7.

The above described parcel contains 4.79 acres.

The land is located in Natrona County near Midwest, Wyoming. It is bordered on the east and south by U.S. Highway 87 and State Highway 387.

2. At 10 a.m. on February 21, 1974, the land will be open to applications to purchase the lot under the Small Tract Act. All valid applications received at or prior to 10 a.m. on February 21, 1974, will be considered as simultaneously filed at that time. All applications filed after that time will be considered in the order of filing.

3. Applicants must file, in duplicate, with the Chief, Lands and Mining Section, Bureau of Land Management, PO Box 1828, Cheyenne, Wyoming, application Form 2730-1 filled out in compliance with instructions on the form. The application must be accompanied by a relinquishment of the existing small tract lease W-0310786 embracing the land, conditioned upon conveyance of title. Copies of the application form can be secured from the above-named official. The application must be accompanied by a filing fee of \$10 and the purchase money for the land in the amount of \$29,000. Failure to transmit these payments with the application will render the application invalid. Advance pur-

chase payments will be returned to unsuccessful applicants. All filing fees will be retained by the United States.

4. The patent (the title transfer document), when it issues, will contain a reservation of all minerals to the United States, and will be subject to rights-of-way of record and the rights of prior oil and gas permittees.

DANIEL P. BAKER,
State Director.

[FR Doc.74-3938 Filed 2-19-74; 8:45 am]

National Park Service

CHESAPEAKE AND OHIO CANAL NATIONAL HISTORICAL PARK COMMISSION

Notice of Meeting

Notice is hereby given in accordance with the Federal Advisory Committee Act that a meeting of the Chesapeake and Ohio Canal National Historical Park Commission will be held on Saturday, February 23, 1974, at 9 a.m., at the Stephen Mather Training Center, Harpers Ferry, West Virginia.

The Commission was established by Pub. L. 91-664 to meet and consult with the Secretary of the Interior on general policies and specific matters related to the administration and development of the Chesapeake and Ohio Canal National Historical Park.

The members of the Commission are as follows:

Miss Nancy Long, Glen Echo, Maryland (Chairman)

Mrs. Caroline Freeland, Bethesda, Maryland

Hon. Vladimir A. Wahbe, Baltimore, Maryland

Mr. John C. Lewis, Hamilton, Virginia

Mr. Burton C. English, Berkeley Springs, W. Va.

Mr. James G. Banks, Washington, D.C.

Mr. Joseph H. Cole, Washington, D.C.

Mrs. Dorothy Grotos, Arlington, Virginia

Mr. Anthony Abar, Annapolis, Maryland

Mr. Ronald A. Clites, LaVale, Maryland

Mrs. Mary Miltenberger, Cumberland, Maryland

Dr. James H. Gilford, Frederick, Maryland

Mr. Grant Conway, Brookmont, Maryland

Mr. Edwin F. Wesely, Chevy Chase, Maryland

Mr. John C. Frye, Gapland, Maryland

Mr. Justice Douglas, Washington, D.C. (Special Consultant)

Mr. Rome F. Schwagel, Keedysville, Maryland

Mr. Donald Frush, Hagerstown, Maryland

The matters to be discussed at this meeting include:

1. Dickerson Report.
2. Cumberland Report.
3. Superintendent's Report.
4. Status of the Master Plan.
5. Special Use Permits.
6. Status of Land Acquisition Program.
7. Report—Fort Duncan Historical Site.

The meeting will be open to the public. However, facilities and space for accommodating members of the public are limited and it is expected that not more than 15 persons will be able to attend the sessions. Any member of the public may file with the Commission a written statement concerning the matters to be discussed.

Persons wishing further information concerning this meeting, or who wish to

submit written statements, may contact Richard L. Stanton, Assistant to the Director, Cooperative Activities, National Historical Parks, at 202-426-6715. The meeting will be available for public inspection two weeks after the meeting at the Office of National Park Service, Room 208, 1100 Ohio Drive, S.W., Washington, D.C.

Date: February 13, 1974.

ROBERT M. LAMONT,
Liaison Officer, Advisory Com-
missions, National Park Service.

[FR Doc.74-3988 Filed 2-19-74; 8:45 am]

DEPARTMENT OF AGRICULTURE

Forest Service

BEARTOOTH WILDERNESS, ABSAROKA WILDERNESS, AND CUT-OFF MOUNTAIN WILDERNESS

Notice of Proposed Establishment

Notice is hereby given in accordance with the provisions of the Act of September 3, 1964 (78 Stat. 890-897 (16 U.S.C. 1131-1132)), that a public hearing will be held, beginning at 9 a.m. on March 1, 1974, in the Cody Club Auditorium, Cody, Wyoming; on March 22, 1974, at the Petro Theatre, Eastern Montana College, Billings, Montana; and March 27, 1974, in Winans School Auditorium, Clark, Livingston, Montana, on a proposal for a recommendation to be made by the Secretary of Agriculture to the President of the United States that Congress for establishment of the Beartooth Wilderness, Absaroka Wilderness, and Cut-off Mountain Wilderness, comprising of 516,815 acres. The proposed Beartooth, Absaroka, and Cut-off Mountain Wildernesses are located in Custer and Gallatin National Forests, the Counties of Carbon, Park, Sweetwater and Sweet Grass, Montana.

A brochure containing a map and information about the proposed wildernesses may be obtained from the following:

Custer National Forest, 2602 1st Avenue North, Billings, Montana 59103.

Gallatin National Forest, Federal Building, Bozeman, Montana 59715.

Regional Forester, Northern Region, Federal Building, Missoula, Montana 59801.

Individuals and organizations may express their views by appearing at the hearings or, following the hearings, submit written comments for inclusion in the official record to the Regional Forester, Federal Building, Missoula, Montana 59801, by April 30, 1974.

Those wishing to present oral comments at the hearings should notify the Regional Forester, Federal Building, Missoula, Montana 59801, by March 1974, stating at which hearing location the views will be expressed.

Dated: February 13, 1974.

JOHN R. McGUIRE,
Chief, Forest Service

[FR Doc.74-3999 Filed 2-19-74; 8:45 am]

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notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications, agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF STATE

[Public Notice CM-7]

REVIEW BOARD FOR THE CENTER FOR CULTURAL AND TECHNICAL EXCHANGE BETWEEN EAST AND WEST

Postponed Meeting

Meeting of the Executive Committee of the National Review Board for the Center for Cultural and Technical Exchange Between East and West (East-West Center), announced for June 3, 1974 (PR 16908) at the Department of State, Room 507, SA-2, has been cancelled. The meeting site has been changed to Honolulu, Hawaii and scheduled for May 13, 1974.

Meeting is being postponed to take place of the fact that several participants will be in Honolulu at that time for business.

May 13, 1974.

CAROL M. OWENS,
Executive Secretary.

74-11469 Filed 5-17-74; 8:45 am]

DEPARTMENT OF THE TREASURY

Office of the Secretary

COMMITTEE ON REFORM OF INTERNATIONAL MONETARY SYSTEM

Notice of Meeting

It is hereby given that the Advisory Committee on Reform of the International Monetary System will meet at the Treasury Department in Washington, D.C., on June 3, 1974.

Meeting is called for the purpose of discussing the basic issues involved in current international negotiations for reform of the international monetary system.

Termination as required by section 5 of the Federal Advisory Committee Act (Pub. L. 92-463) has been made. This meeting is for the purpose of considering matters falling within more of the exemptions to publication set forth in 5 U.S.C. 552(b) and the public interest requires such meeting be closed to public participation.

May 16, 1974.

PAUL A. VOLCKER,
Under Secretary for
Monetary Affairs.

74-11466 Filed 5-17-74; 9:57 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

OUTER CONTINENTAL SHELF; POTENTIAL FUTURE OIL AND GAS LEASING

Preparation of Environmental Impact Statement

In order to ensure that adequate consideration is given to the environmental impacts of and alternatives to implementation of the program announced by

President Nixon for an increase in potential future Outer Continental Shelf (OCS) oil and gas leasing to ten million acres in 1975, the Bureau of Land Management of the Department of the Interior will prepare an environmental impact statement for the proposed action pursuant to the provisions of section 102 (2) (C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)). OCS areas which may be affected by the proposed program include the following:

Atlantic Coast OCS areas:

1. North Atlantic

2. Mid-Atlantic

3. South Atlantic

Gulf of Mexico OCS areas:

4. East Gulf

5. Central Gulf

6. West Gulf

Pacific OCS areas:

7. Southern California Borderland

8. Santa Barbara

9. North and Central California

10. Washington-Oregon

Alaska OCS areas:

11. Cook Inlet

12. Southern Aleutian Shelf

13. Gulf of Alaska

14. Bristol Bay

15. Bering Sea Shelf

16. Beaufort Sea

17. Chukchi Sea

Approximate location

Bay of Fundy to Cape Cod north of 40° N. latitude and south of 41° N. latitude.

Cape Cod to Cape Hatteras between 40° N. to 35° N. latitude.

Cape Hatteras to Key West south of 35° N. latitude.

East of 88° W. longitude.

Between 88° W. to 93° W. longitude.

West of 93° W. longitude to Mexican border.

South of 34° N. latitude to Mexican border (except Santa Barbara Channel).

Santa Barbara Channel.

North of 34° N. latitude to California-Oregon border (except Santa Barbara Channel).

Between California-Oregon border and Canadian border.

South of 60° N. latitude.

West of 153° W. longitude.

North of 56° N. latitude, east of 153° W. longitude.

South of 58° N. latitude, east of 165° W. longitude.

U.S. Waters south of 66° N. latitude.

Between 142° W. and 160° W. longitude.

U.S. waters north of 66° N. latitude, west of 160° W. longitude.

¹ The line drawn from a point at: 42°19.9' N. latitude, 67°46.9' W. longitude, thence to 42°9.3' N. latitude, 67°40.0' W. longitude, thence 41°42.4' N. latitude, 67°28.8' W. longitude, and ending at 41°15.3' N. latitude, 66°58.9' W. longitude.

It is the intention of the Bureau of Land Management to prepare an environmental statement which, in general, will describe the following topics: The proposed leasing action; the management system pertaining to the proposed action, including leasing procedures, supervision, inspection, and regulation of lease operations, and monitoring of actual and threatened environmental effects of lease operations; OCS oil and gas resource potential; energy supply

and demand; technology for developing oil and gas offshore; environmental settings; natural phenomena that exist or occur in particular OCS regions, and which have the potential to cause or contribute to environmental impacts arising from the proposed action; the potential environmental impacts of the proposed action, offshore and onshore, including without limitation matters such as the cumulative impact of oil and gas operations under the proposed leasing action.

impacts on competing uses of OCS resources, the effect of the proposed action on the level of environmental study prior to leasing and on the level of supervision of lease operations after leasing, and the degree to which environmental effects might be reduced as a result of improvements in methods of lease supervision; and the alternatives to the proposed action and their potential environmental impacts.

In due course, the Bureau of Land Management will prepare and disseminate a draft environmental statement and solicit comments on the statement from other Federal agencies, State and local governments, and interested members of the public. Moreover, it is the intention of the Bureau of Land Management to schedule public hearings, the location of which will be designated in a future notice published in the *FEDERAL REGISTER*, to consider the proposed action and the draft environmental statement.

The Bureau of Land Management will prepare individual environmental statements pursuant to section 102(2)(C) of the National Environmental Policy Act, supra, for each potential lease sale involved in the proposed action. This will provide a detailed environmental analysis on a tract-by-tract basis.²

The reasoning behind the proposed program and the determination to prepare a formal assessment of the environmental impacts of the proposal to increase OCS oil and gas leasing is as follows:

(a) Energy consumption in the United States will continue to rise. Despite conservation measures which have been instituted as a result of the recent oil embargo, all predictions indicate that there will be further increases in demand. Should domestic oil production continue to decline and demand continue to grow as in the past, imports would necessarily increase from 35 percent of U.S. consumption in 1973 to roughly half of U.S. consumption by 1980.

(b) The substantial rise in foreign oil prices in recent months also has created difficulties. If foreign oil purchases are increased, there would be a chronic balance of payments outflow which would create critical problems in international monetary affairs.

(c) An increase in domestic oil and gas production offers the greatest chance among available alternatives of avoiding increasing dependence upon potentially insecure foreign supplies of energy. While the mix between energy forms may change somewhat with rapid growth of other forms of energy such as increases in coal production and development of nuclear energy, the U.S. must continue to be heavily dependent on oil and gas through the next two decades.

(d) The Outer Continental Shelf represents a large and promising area for

oil and gas exploration. The Department's Geological Survey estimates undiscovered recoverable oil resources offshore totalling 65 to 130 billion barrels of petroleum (7-14 State and 58-116 Federal) and 395 to 790 trillion cubic feet of gas (40-80 State and 355-710 Federal). Production from those resources, in addition to production from known OCS resources, would greatly help in attaining the goal of avoiding dependence on insecure foreign sources of oil and gas.

(e) The proposed action to increase OCS oil and gas leasing to 10 million acres in 1975 is a major Federal action significantly affecting the quality of the human environment.

(f) The environmental statement process articulated in the National Environmental Policy Act provides a formalized method for evaluating the environmental impact of OCS development. For example, the view—that the considerable OCS development which has occurred to date has not resulted in long lasting, unacceptable marine or shoreline environmental or socio-economic impacts—would be evaluated.

The viability of the program, and the bases therefor, will be evaluated in the decision-making processes of which the environmental statement concerning the increases in OCS leasing from approximately 3 million acres in 1974 to 10 million acres in 1975, and the individual environmental statements on the 1975 sales, are a part. Studies and views that will be considered in these decision-making processes include more than the preparation of the environmental statements referred to. The following steps have already been taken:

(a) On April 18, 1973, the President directed the Council on Environmental Quality to study the potential environmental impacts of OCS oil and gas exploration and development along the Atlantic Coast and the Gulf of Alaska. The Report of the Council on Environmental Quality, OCS Oil and Gas—An Environmental Assessment, which was submitted to the President on April 18, 1974, is undergoing a thorough review within the Department.

(b) On February 20, 1974, the Bureau of Land Management published in the *FEDERAL REGISTER* (39 FR 6541), a "Request for Comments" inviting and encouraging all concerned parties representing the oil and gas industry and the general public to submit information concerning areas of interest for oil and gas resource potential and areas of environmental concern. Comments received to date in response to this request are now being studied and analyzed within the Department of the Interior, and a report will be released in the near future. This is one action taken during the first tier of a new two-tier system for selecting potential OCS leasing areas and individual tracts within those areas. The Bureau of Land Management will use these rankings of areas, and its own evaluations of resource potential and need to protect environmental values, the CEQ report, and views of other Fed-

eral agencies to identify areas for potential lease sales. In the second tier of the system, industry and other groups will be asked to provide their views on individual tracts within areas of interest. Thereafter, an environmental statement for the individual lease would be prepared, as mentioned above, and if the sale is determined to be environmentally acceptable, the terms of the leases would be established, and the sale held.

(c) The Department is conducting an inventory and analysis of existing environmental and socio-economic data. The CEQ report represents a significant contribution to this level of effort. The tracts have been entered into with the various agencies for more specific analysis of frontier areas such as the North Atlantic from the Bay of Fundy to Sandy Hook, New Jersey; the mid-Atlantic, from Sandy Hook to Cape Hatteras; the Gulf of Atlantic, from Cape Hatteras to Cape Canaveral; and the Gulf of Alaska, from Cook Inlet to Unimak Island. The Department has also contracted for studies of southern California and is broadening and updating our information concerning the Gulf of Mexico.

(d) The Secretary of the Interior has created a Federal-State Research Advisory Board which will advise on the scope and conduct of baseline studies and monitoring programs for potential environmental impacts in frontier areas of the Atlantic and Gulf of Alaska. We expect to issue a number of contracts for base-line studies after receiving advice from the advisory board. Representatives of seaboard States have been invited to participate on the Board and others will be so invited.

In this connection, the Department has decided to proceed in nearly simultaneous time frames with environmental base-line studies on the Outer Continental Shelves of the Atlantic Ocean and the Gulf of Alaska in order to explore further the feasibility of oil and gas leasing in those areas. These base-line studies will consider weather, sea state, bird populations and natural hazards. The design will draw upon the National Oceanic and Atmospheric Administration (NOAA), Bureaus in the Department of States, and the private sector. NOAA, the USGS have been asked to design appropriate studies for the Gulf of Alaska for early consideration by the Advisory Board. Because legal issues may arise in OCS development in the Atlantic and Gulf of Alaska may be the first tier of action in which an OCS sale could be held.

The Gulf of Alaska was identified in the CEQ in its recent report as one of the frontier OCS areas with the greatest environmental risk. The studies to be undertaken are necessary to determine the acceptability of leasing in this area. The Department believes steps should now be taken to protect the option of a sale in that area near the end of the century if the difficult environmental and geological problems identified in the CEQ report can be satisfactorily dealt with. The Department has no intention of leasing anywhere on the OCS if it cannot be

²Decisions to prepare environmental impact statements for potential lease sales would take into account the status of pending litigation, including *U.S. v. Maine et al.* and *U.S. v. Florida*.

for completion in an environmentally acceptable way.

The Department is now evaluating feasibility of requiring permittees and lessees to furnish the Secretary with copies of all data obtained during off-road exploration and development for oil and gas. Notice of proposed rule making will be published in the FEDERAL REGISTER for public comment soon.

Officials of the Department of the Interior have been involved in a continuing dialogue with environmental organizations, representatives of industry and other concerned individuals in an effort to obtain the benefit of their views relative to the environmental aspects and the oil and gas potential of the proposed OCS exploratory program. Discussions have been held on the feasibility of an OCS exploratory program that would further help to pinpoint areas of the greatest potential production of oil and gas. These discussions have involved a number of alternative programs which include: special limited lease areas in frontier areas with a requirement for prompt exploration; leases for exploration only; a Federal exploratory program; and off-structure geophysical drilling by both private and public entities.

Persons wishing to express their views concerning the preparation of an environmental impact statement for the proposed program to increase OCS oil and gas leasing and the other undertakings referred to may submit comments to the Director, Attention 730, Bureau of Land Management, Washington, D.C. 20240.

GEORGE C. TURCOTT,
Associate Director,
Bureau of Land Management.

Approved: May 13, 1974.

JOHN C. WHITAKER,
Under Secretary of the Interior.

[FR Doc. 74-11447 Filed 5-17-74; 8:45 am]

Office of Hearings and Appeals
[Docket No. M74-113]

BIMBO COAL COMPANY, INC.
Petition for Modification of Application of
Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c), Bimbo Coal Company, Inc. has submitted a petition to modify the application of 30 CFR 77.1605(k) to its No. 2 Mine located at Hall Hollow, Buchanan County, Virginia.

30 CFR 77.1605(k) provides as follows:
"Guards shall be provided on the bank of the elevated roadways.

The alternate method which Petitioner seeks to establish in lieu of the mandatory standard is as follows:

A daily inspection of all coal-hauling vehicles shall be made and any defects detected shall be corrected before the vehicle is put into service. A record of the inspection

and repair on each vehicle shall be kept and maintained by a supervisory employee.

2. Roadway surfaces shall be kept free of debris, excessive water and snow and ice, and maintained as free as practicable of small ditches (washboard effects).

3. A traffic system should be put into use for these roads requiring that the loaded vehicles have the right-of-way on the highwall side of roads regardless of their direction of travel.

4. Warning signals shall be posted designated curves, steep grades where trucks should shift to a lower gear, and where roadways are reduced to one-lane traffic. Stop signs shall be posted where one road intersects another, giving main haulage road traffic the right-of-way. Signs should also be posted designating passing points.

5. All equipment operators should be trained in the use of haulage equipment and the safety of vehicles on haulage roads.

6. All haulage vehicles shall have:

- (a) Original manufacturers brakes.
 - (b) Engine or Jacobs brakes.
 - (c) Emergency (parking) braking system.
7. Adequate supplies of crushed stone or other suitable materials shall be stored at strategic locations along the haulage roads for use when the road surface becomes slippery.

8. A minimum width of 30 feet shall be provided and maintained along two-lane roads, and where widths of less than 30 feet are provided and maintained, the roads shall be designated as single-lane roads.

9. On roads that afford only one traffic lane, a minimum width of 16 feet shall be maintained, with passing points provided at intervals of not more than 1,000 feet; if visibility is obscured by brush or other materials, passing points shall not be more than 500 feet apart.

10. Where abrupt drop-offs are present along the outer banks, super-elevation shall be provided to cause the vehicles to gravitate toward the highwall side of the road.

11. All rules of the road (traffic system) shall be posted on the bulletin boards throughout the mine area, and such rules of the road shall be made part of the training and retraining programs.

Petitioner further states that the alternative method outlined above will, at all times guarantee no less than the same measure of protection afforded the miners at the Petitioner's mine by the mandatory standard.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before June 19, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director,
Office of Hearings and Appeals.

MAY 13, 1974.

[FR Doc. 74-11463 Filed 5-17-74; 8:45 am]

[Docket No. M 74-101]
O. C. COAL MINE #2

Petition for Modification of Application of
Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301

(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), H. W. Weaver, d.b.a. O. C. Coal Mine #2 has filed a petition to modify the application of 30 CFR 75.1405 to its O. C. Coal Mine #2 located at Gunnison, Colorado.

30 CFR 75.1405 provides as follows:

All haulage equipment acquired by an operator of a coal mine on or after March 30, 1971, shall be equipped with automatic couplers which couple by impact and uncouple without the necessity of persons going between the ends of such equipment. All haulage equipment without automatic couplers in use in a mine on March 30, 1970, shall also be so equipped within 4 years after March 30, 1970.

Petitioner seeks a waiver of the foregoing safety standard for the following reasons:

(1) Petitioner utilizes forty inch wide, one-ton wooden cars in its mine. These cars comprise two three-car trips which are hauled by one-half inch rope cable. The cars are maneuvered by hand on the surface, and they are pulled inside by a mule.

(2) The subject cars are not uncoupled in the mine. The uncoupling takes place above-ground on a flat surface when the cars are at rest.

(3) The size and awkwardness of automatic couplers would create a safety hazard. In addition, the installation of said couplers would prove impractical because:

(a) The cars are too small to accommodate the couplers.

(b) Petitioner's personnel would be unable to maneuver the cars by hand on the surface.

(c) It would not be possible to maneuver the cars underground by mule.

(d) The mine will continue to produce coal for only three more years.

(4) The alternate method will at all times guarantee no less than the same measure of protection as afforded by the application of the mandatory standard.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before June 19, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director, Office of
Hearings and Appeals.

MAY 13, 1974.

[FR Doc. 74-11466 Filed 5-17-74; 8:45 am]

[Docket No. M 74-102]
O. C. COAL MINE #2
Petition for Modification of Application of
Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301 (c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), H. L. Weaver, d.b.a. O. C. Coal Mine #2 has filed a petition to modify the application of 30 CFR 75.313 to its O. C. Coal Mine #2 located in Gunnison, Colorado.

30 CFR 75.313 provides in pertinent part as follows:

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NEW YORK

3 COUNTY OF SUFFOLK, COUNTY OF NASSAU,
4 TOWN OF ISLIP, TOWN OF HEMPSTEAD,
5 TOWN OF NORTH HEMPSTEAD, TOWN OF OYSTER
6 BAY, TOWN OF HUNTINGTON, and the BOARD
7 OF TRUSTEES OF THE TOWN OF HUNTINGTON,
8
9 Plaintiffs,
10
11 -against-
12
13 DEPARTMENT OF THE INTERIOR, ROGERS C. B.
14 MORTON, individually and as Secretary of
15 the Interior, CURTIS J. BERKLUND,
16 individually and as Director of the
17 Bureau of Land Management,
18
19 Defendants.

Civil Action

No. 75 C 208

12
13 Affidavit of Royston C. Hughes

14 Royston C. Hughes, being duly sworn, deposes and states
15 the following:

16 1. I am now and have been at all times material to this
17 affidavit Assistant Secretary of the Interior for Program Development
18 and Budget. I am responsible for supervising the Office of OCS Pro-
19 gram Coordination, and in this capacity I am familiar with the
20 administration of Outer Continental Shelf (OCS) oil and gas leasing
21 under the OCS Lands Act, 43 U.S.C. § 1331-1343 (1970).

22 2. The OCS planning effort within the Department of the
23 Interior involves an operation of considerable magnitude and diver-
24 sity. The proposed program to accelerate OCS leasing involves con-
25 sideration of potential OCS leasing nationwide, consisting of the
26 following OCS areas: (1) Pacific Coast; (2) Alaska; (3) Atlantic
27 Coast; and (4) Gulf of Mexico. In addition, the Department of the
28 Interior is responsible for the management and supervision of existin
29 OCS oil and gas leases covering some eight million acres.

30 3. The principal functions which comprise the OCS planni
31 and operations effort may be described as environmental studies and
32 assessment, resource analysis, minerals management, and lease super

1 vision. Personnel involved in these functions include employees of
 2 the Bureau of Land Management, Geological Survey, and the Bureau of
 3 Sports Fisheries and Wildlife. In addition, review and policy
 4 functions are carried out by the following offices: Assistant
 5 Secretary for Program Development and Budget; Assistant Secretary
 6 for Land and Water Resources; Assistant Secretary for Energy and
 7 Minerals; Assistant Secretary for Fish and Wildlife and Parks;
 8 Solicitor; Office of the Under Secretary; and the Secretary's im-
 9 mediate staff.

10 4. In connection with the OCS planning effort referred to
 11 above, the Department of the Interior has been considering two OCS
 12 leasing proposals that pertain to possible oil and gas leasing on
 13 lands offshore the mid-Atlantic coast. The first proposal involves
 14 a proposed program to accelerate OCS oil and gas leasing nationwide.
 15 The second proposal is for an OCS lease sale offshore the mid-Atlanti
 16 coast. The Department's processes for considering these proposals
 17 have been discussed in affidavits filed with the Court earlier. The
 18 consideration given to these proposals since the filing of the
 19 affidavits referred to is discussed below.

20 5. The Department of the Interior prepared an environ-
 21 mental impact statement (EIS) pursuant to NEPA for the accelerated
 22 leasing program. (Exhibit 1) This EIS discusses offshore leasing in
 23 all possible areas offshore the United States, including the Gulf
 24 of Mexico, the Atlantic Coast, the Gulf of Alaska, and offshore
 25 California. The relative potential impacts of OCS leasing in the 17
 26 OCS areas nationwide are discussed throughout the OCS programmatic
 27 final EIS (FEIS). (See, e.g., Vol. 2, Sections III.C. (pp. 61-69);
 28 III.E. (pp. 109-138); III.H. (pp. 231-242); and Tables 117, 122, and
 29 123.) The FEIS also discusses energy sources alternative to offshore
 30 leasing, including development of onshore oil and gas resources, oil
 31 shale, geothermal energy, solar energy, etc. (See Vol. 2, Section
 32 VIII.F., pp. 301-334) and conservation of energy (See Vol. 2, Sectic

1 VII.E., pp. 295-300). The OCS programmatic FEIS addresses the pro-
2 posed program as modified in November 1974, and includes a discussion
3 and analysis of the Proposed OCS Planning Schedule, revised June
4 1975. (See Vol. 1, Sections I.A. and B., pp. 1-21; Vol. 2, Section
5 VIII.G., pp. 335-340; and VIII.H., pp. 341-349.) The Bureau of Land
6 Management of the Department is now preparing a site-specific draft
7 EIS. This EIS will discuss the potential environmental impacts that
8 would result from a decision to lease certain specified tracts off-
9 shore the mid-Atlantic coast which tracts approximating 876,750 acres
10 were selected by the Department following nominations submitted by
11 the oil industry and comments submitted by governmental agencies and
12 interested members of the public. This draft EIS will also discuss
13 alternatives to the proposed sale, including without limitation,
14 alternative energy sources and conservation of energy.

15 6. The site-specific EIS serves a specific purpose sepa-
16 rate and distinct from the OCS programmatic EIS. It has been de-
17 signed to be in and of itself a complete environmental statement
18 according to the provisions of Section 102(2)(C) of NEPA. It pro-
19 vides information and data on all topics enumerated in that section
20 and has been designed to provide information which will assist the
21 Secretary in making such decisions as whether or not to hold a spe-
22 cific OCS oil and gas lease sale, whether it should be deferred,
23 what tracts should be included in any sale, or what terms should be
24 incorporated in any lease issued if there is a sale.

25 7. The OCS programmatic EIS, on the other hand, is de-
26 signed as a broad study of the potential environmental impacts of
27 and alternatives to a proposed policy decision to accelerate OCS
28 leasing nationwide, including but not limited to, potential leasing
29 offshore the mid-Atlantic coast. The OCS programmatic EIS provided
30 detailed information to enable the Secretary to make such decisions
31 as whether an acceleration in OCS leasing nationwide should be ir-
32

1 plemented, and if so, to what extent and in what manner it should be
2 implemented.

3 8. While there is a relationship between the programmatic
4 proposal and a proposal for a sale within the ambit of the program,
5 there are significant differences. The focus and detail of the in-
6 formation and data supplied in the two statements differ substan-
7 tially. Issues that are covered in detail in the site-specific EIS
8 have no place in the OCS programmatic EIS. Much of the information
9 provided in the latter statement has only a very general connection
10 with potential leasing in a specific area. The great bulk of the
11 material in the site-specific EIS is not contingent upon the informa-
12 tion and data in the OCS programmatic FEIS. Attached hereto as an
13 example of the type of site-specific environmental impact statements
14 prepared by the Department of the Interior is the 5 volume final EIS
15 for a proposed southern California OCS oil and gas lease sale. (Ex-
16 hibit 2)

17 9. Since the filing of earlier affidavits herein, the fol-
18 lowing stages of Departmental consideration occurred with respect to
19 consideration of the program to accelerate OCS leasing.

20 10. On October 18, 1974, the Department published a draft
21 OCS programmatic EIS and submitted it to CEQ. The notice of availa-
22 bility was published in the Federal Register on the same date. (39
23 F.R. 37222)

24 11. On October 21, October 29, November 5, and December 26,
25 1974, the Department issued news releases announcing the availability
26 of the DEIS and that public hearings would be held on the statement.
27 The latter two notices announced extensions of time for public re-
28 sponse and the rescheduling of public hearings on the draft program-
29 matic EIS for February 1975.

30 12. On November 13 and 14, 1974, the Department of the
31 Interior sponsored a Coastal States Governors Conference regarding
32 the proposed program to accelerate OCS oil and gas leasing nationwide

1 which was held in Washington, D. C. Addresses were given by Presi-
2 dent Ford, Treasury Secretary Simon, former Interior Secretary Morton,
3 and FEA Administrator Zarb.

4 13. The purpose of the conference was to provide the inter-
5 ested governors with the Department's rationale for its accelerated
6 leasing proposal and to discuss with them the various steps being pro-
7 posed for the program. The Department announced during the confer-
8 ence the issuance of a proposed 4-year OCS planning schedule which
9 was adopted at that time as the basis for a modified OCS program
10 proposal. Both President Ford and former Secretary Morton had ad-
11 vised the governors and their representatives that they were no
12 longer wedded to a proposal involving the leasing of 10 million acres
13 of OCS lands in 1975.

14 14. On November 15, 1974, former Secretary Morton wrote to
15 Senator Bible of the Senate Interior Appropriations Subcommittee
16 advising him that the 10 million acre goal of the proposed program to
17 accelerate OCS oil and gas leasing nationwide had been eliminated.

18 15. The proposed OCS planning schedule released in Novem-
19 ber 1974 was thereafter revised in June 1975. (See Exhibit 3)

20 16. Public hearings were held on the OCS programmatic
21 DEIS in Anchorage, Alaska (February 3 and 4, 1975); Beverly Hills,
22 California (February 6, 7, and 8, 1975); and Trenton, New Jersey
23 (February 11, 12, 13, and 14, 1975). The hearing record contains the
24 testimony of 344 persons during 84 hours of testimony over the 9-day
25 period and totaled 3,019 pages.

26 17. Thereafter, the Department proceeded to revise the
27 draft programmatic EIS in light of the oral comments received during
28 the public hearings referred to above and all written comments re-
29 ceived by the Department which related to said DEIS.

30 18. On July 11, 1975, the Department published an OCS pro-
31 grammatic FEIS and submitted that statement to CEQ and made it avail-
32 able to the public. On the same date, the Department also published

1 a Federal Register notice and issued a news release announcing the
2 availability of the OCS programmatic FEIS. (40 F.R. 29308 and Ex-
3 hibit 4.) The public was advised in the news release that the Depart-
4 ment was allowing a 60-day period for public review and comment on
5 this FEIS. The release further stated that during the 60-day period
6 no decision would be made as to the proposal to accelerate OCS oil
7 and gas leasing nationwide.

8 19. On September 9, 1975, the 60-day review and comment
9 period ended.

10 20. Departmental staff prepared: (1) a program decision
11 option document for the proposed program to accelerate OCS oil and
12 gas leasing nationwide; and (2) an evaluation of comments received
13 from state and local agencies and officials and a citizen's organi-
14 zation. These documents and the letters of comment received by the
15 Department were submitted to the Acting Secretary for his considera-
16 tion and evaluation in conjunction with the OCS programmatic FEIS in
17 making a decision on the program proposal.

18 21. On September 29, 1975, Acting Secretary Frizzell made
19 a decision to adopt the proposed program to accelerate OCS oil and
20 gas leasing nationwide. (See Exhibit 5 and paragraphs 33-34, infra.)

21 22. No decision has been made by the Acting Secretary or
22 the Department as to whether or not a proposed 1976 OCS oil and gas
23 lease sale of lands offshore the mid-Atlantic will be held, whether
24 it should be deferred, what tracts should be included in any sale
25 or what terms should be incorporated in any lease issued if there is
26 a sale.

27 23. On March 26, 1975, the Bureau of Land Management asked
28 industry to nominate tracts on which it would like to bid if a sale
29 is held, and also invited other Federal agencies, State and local
30 governments, environmental groups, and the general public to specify
31 tracts or groups of tracts which in their view, should not be offered
32 in the proposed sale. (Exhibit 6)

1 24. BLM's recommendation of 876,750 acres (354,816 hec-
2 tares) was based upon environmental protection and other resource
3 uses, coastal State government concerns, and areas of high interest
4 in oil and gas potential.

5 25. Not included in the tentative tract selection list are
6 71 tracts which the commercial fishing industry requested be elimi-
7 nated from lease consideration. The decision to eliminate these
8 tracts from the proposed sale offering was made after the fishing
9 industry recommendation was supported by the U.S. Fish and Wildlife
10 Service in Interior, the National Marine Fisheries Services in the
11 National Oceanic and Atmospheric Administration (NOAA), and the views
12 of the coastal States.

13 26. The mid-Atlantic area for which the call was issued,
14 is off the coasts of New Jersey, Delaware, Maryland, and the extreme
15 northern coast of Virginia. This area, known as the Baltimore Canyon
16 Trough, is about 85 miles wide and about 150 miles long.

17 27. The actual area covered in the tentative tract selec-
18 tion announcement lies from 54 to 109 miles offshore Delaware and New
19 Jersey in water from 36 to 173 meters (118 to 571 feet) deep. None
20 of the area now being considered conflicts with known ocean dumping
21 areas.

22 28. Representatives from the States of New Jersey, New
23 York, Delaware, Maryland, and Virginia were present at the formal
24 BLM-U.S. Geological Survey meetings where the tentative tract selec-
25 tion recommendations were developed.

26 29. This tentative tract selection announcement defines
27 the area for the tentative lease sale area and pinpoints the precise
28 areas to be studied in a draft environmental impact statement. A
29 multidisciplinary team of environmental and other specialists assigne
30 to BLM's Atlantic Outer Continental Shelf Office is now preparing
31 draft EIS.

32

1 30. Public hearings will be held and comments received on
2 the draft EIS, and the results of those hearings and comments will be
3 reflected in a final EIS.

4 31. On June 17, 1975, and September 12, 1975, the Depart-
5 ment of the Interior issued a call for nominations and request for
6 comments on matters of environmental concern for potential OCS leas-
7 ing areas in the North Atlantic and the South Atlantic, respectively.
8 Tentative tract selections for further study in site specific EISs
9 have not been made to date. (See Exhibits 7 and 8)

10 32. Of the 17 stages in the process for considering whether
11 or not to hold OCS lease sales, the Department is currently at Stage
12 7 with respect to the sale proposal in question.

13 33. In 1974, the Department of the Interior conducted four
14 OCS oil and gas lease sales in OCS areas of the Gulf of Mexico that
15 resulted in leasing approximately 1.76 million acres of the Depart-
16 ment's 3 million acre goal for that year. The accelerated OCS leas-
17 ing program recently adopted by the Department contemplates the con-
18 sideration of six individual lease sale proposals per year from 1975
19 through 1978, including lease sale proposals in each frontier area by
20 the end of 1978. The program does not set a specific acreage figure
21 for accelerated leasing.

22 34. A possible OCS lease sale in Lower Cook Inlet, Alaska,
23 has been under consideration to become one of six sale proposals for
24 1975. But, inasmuch as the question of State versus Federal juris-
25 diction over those offshore lands has not been finally resolved, it
26 would not be possible to fully consider and evaluate a lease sale
27 proposal for that area for 1975. Consequently, the maximum number of
28 OCS oil and gas lease sales that could be held in 1975 according to
29 present scheduling is five.

30 35. In connection with the adoption of the accelerated
31 leasing program, the Department has recently established a second OCS
32 Advisory Board to provide for increased interaction with the coastal

1 States. The Board will include, among others, representatives of
2 each coastal State, and will advise the Department on policy matters
3 arising out of the accelerated OCS oil and gas leasing program. Es-
4 tablishment of the new Advisory Board is part of the Department's
5 continuing effort to improve its system for management and supervi-
6 sion of OCS oil and gas resources. The OCS Research and Management
7 Advisory Board will continue in operation to provide the Department
8 with technical guidance on the scientific aspects of OCS oil and gas
9 resource development. (See Exhibit 9)

10 36. On September 26, 1975, the Department announced new
11 Departmental regulations providing that major oil and gas producers
12 would no longer be able to bid jointly with one another for Federal
13 offshore leases. (See Exhibit 10)

14 37. In summary, the procedures followed with respect to
15 the proposals in question are in the public interest in providing for
16 consideration of important energy proposals in an expeditious manner,
17 without undue delay. Now that the proposed program to accelerate
18 OCS oil and gas leasing has been adopted, the Secretary may proceed
19 to consider and evaluate each lease sale that is proposed in accord-
20 ance with that program in an orderly and expeditious fashion. He
21 may now determine, on the basis of a site-specific final EIS and
22 other documents, whether a particular sale proposal would be environ-
23 mentally, technically, and economically acceptable.

24 38. At the present time, the Department of the Interior
25 is involved in another lawsuit concerning OCS oil and gas leasing
26 proposals, viz People of the State of California, ex rel. v. Secre-
27 tary of the Interior, et al, Civ. Action No. 74-2374 DWW, in the
28 United States District Court for the Central District of California.
29 This suit involves the Department's procedures for considering the
30 program to accelerate OCS oil and gas leasing and a proposed 1975
31 southern California OCS lease sale. On January 6, 1975, Judge
32 Williams denied plaintiffs request for injunctive relief and denied

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1 plaintiffs' and defendants' motions for summary judgment. A Pre-
2 Trial conference was held on October 6, 1975, at which time Judge
3 Williams set the case for trial on November 7, 1975.

4
5 *Rayston C. Hughes*
6 Rayston C. Hughes
7

8
9 Subscribed and sworn to before me, this 15th day of October, 1975.

10 *[Signature]*
11 Notary Public

12 My Commission expires July 1, 1978
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Exhibit 3

DEPARTMENT of the INTERIORnews release

BUREAU OF LAND MANAGEMENT

For Release June 18, 1975

Robinson (202) 343-5717

REVISED OUTER CONTINENTAL SHELF OIL AND GAS LEASING SCHEDULE IS RELEASED

A revised Outer Continental Shelf proposed oil and gas leasing schedule was released today by the Department of the Interior's Bureau of Land Management.

This schedule is an update of the proposed schedule issued in November 1974. The changes are required because of delay in procedures related to the resolution of the Federal-State jurisdictional issue concerning the Atlantic outer continental shelf and to accommodate the current status of procedural steps involved with specific proposed sales. The revised proposed oil and gas leasing schedule does not project any additional sales or any new locations.

The revised schedule again proposes twenty-four sales during 1975 - 1978. However, some locational shifts have been made. Six sales are proposed for the Gulf of Mexico, an increase from the four sales proposed in the schedule published in November 1974. Three sales are proposed for the Pacific coast, a decrease from the five sales proposed under the previous schedule. The same number of sales are again proposed for Alaska (nine sales) and for the Atlantic coast (six sales).

The revised planning document is necessary, Interior officials explained, so that all interested parties can effectively allocate resources and gather needed data well in advance of proposed decisions.

Department officials also stressed that the revised four year planning document is for interim planning purposes only. The Secretary of the Interior will not make a decision to hold a sale in any specific area until the requirements of the National Environmental Policy Act of 1969 (NEPA), guidelines issued by the President's Council on Environmental Quality (CEQ), and Interior regulations have been met.

The following are the sequential steps and the average time intervals leading to an OCS lease sale decision.

CALL FOR NOMINATIONS AND COMMENTS

- * From industry and from the public.
- * To provide a basis for determining the actual area to be investigated for a future possible lease sale.

TRACT SELECTION

- * Follows the call for nominations and comments by about three months.
- * Defines the actual area on which a draft environmental impact statement will be prepared.

DRAFT ENVIRONMENTAL IMPACT STATEMENT

- * Follows the tract selection announcement by about three months.
- * Evaluates the impacts and examines the alternatives of a proposed specific leasing area.
- * Basic data are collected and examined which include the geology, climate, physical oceanography, biological environment, and natural phenomena unique to the specific area of the proposed sale.
- * Specific data include the rate and flow of tides and currents, air and water quality, seasonal temperatures and winds, the marine communities of plants and aquatic life, wildlife of any island landmass in the specific area, commercial and sport fishing, ship traffic, navigation, and military uses, beach oriented and other forms of recreation.

PUBLIC HEARINGS

- * Follows publication of the draft EIS by about two months.
- * Gives all interested parties (industry, environmental groups, State and local governments, educational institutions, the financial and business community, research organizations, labor, and the general public) an opportunity to record their views concerning the proposed sale.

FINAL ENVIRONMENTAL IMPACT STATEMENT

- * Follows the public hearings by about three months.
- * Reflects testimony from witnesses.
- * Provides data and additional information to help the Secretary of the Interior fully evaluate potential effects of the proposed sale, including aquatic resources, aesthetics, recreation, and historic and cultural values of the area which could be affected during the exploration, development, and operation phases of lease development.
- * Is submitted to the President's Council on Environmental Quality (CEQ).

DECISION WHETHER TO HOLD A SALE

- * Follows at least 30 days after publication of the final EIS.
- * Secretary's decision may include specific environmental restrictions in the terms of lease sale and lease stipulations, or the decision may include deletion of certain tracts from the list of tracts to be offered for lease sale.

SALE

- * 30 days after decision.

From the time a lease is awarded to a successful high bidder until actual wells are drilled, a deposit of crude oil or natural gas is discovered, and a production plan is made and approved, an average of two to three years may have elapsed.

Editors: Leasing Schedule and Map attached.

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PROPOSED OCS PLANNING SCHEDULE

JUNE 1978
REVISES NO. 1 FEBRUARY 1974 SCHEDULE

SALE AREA		1974					1975					1976					1977					1978																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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BSI - Baseline Studies Initiated
C - Contingent on the availability of scientific personnel and equipment being available to perform the studies.
ND - No Decision Date
PH - Preliminary Hearing of Title
DES - Decision on the availability of scientific personnel and equipment being available to perform the studies.
FES - Final Environmental Statement
N - No Sale
S - State May Conduct Sale

Baseline studies scheduled are contingent upon scientific personnel and equipment being available to perform the studies. Sales are contingent upon the availability of scientific personnel and equipment. A decision on the availability of scientific personnel and equipment being available to perform the studies. The result of the environmental, technical, and economic studies employed in the decision-making process, a decision may, in fact, be made not to hold any sale on this schedule.

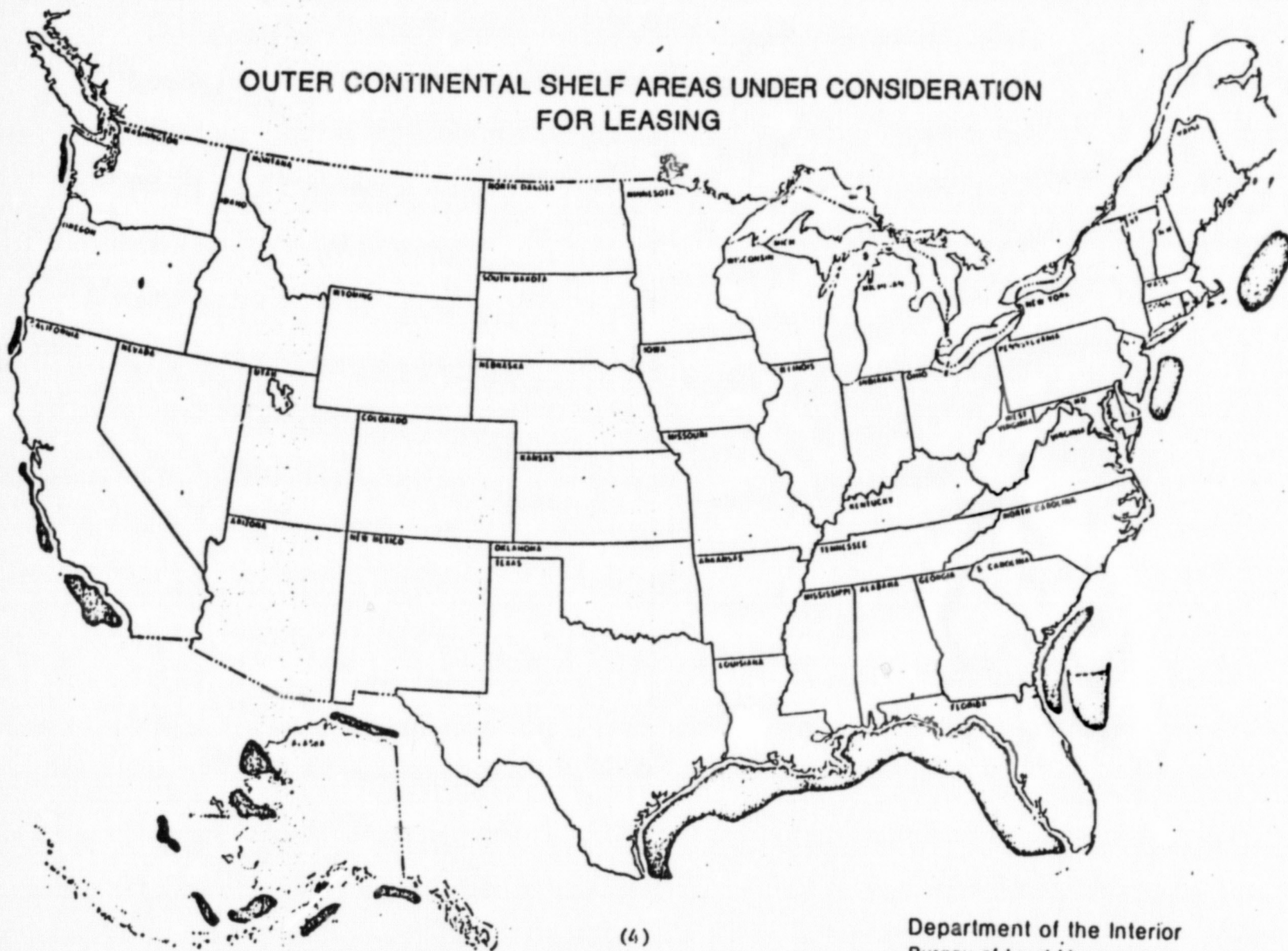


Ernest R. Barkland

Director,
Bureau of Land Management

2175

OUTER CONTINENTAL SHELF AREAS UNDER CONSIDERATION FOR LEASING



(4)

Department of the Interior
Bureau of Land Management

INT: 1373-76

Exhibit 4

DEPARTMENT of the INTERIOR

news release

BUREAU OF LAND MANAGEMENT

For Release July 11, 1975

J. Robinson (202) 343-5717

PROGRAMMATIC FINAL ENVIRONMENTAL IMPACT STATEMENT FOR OCS PUBLISHED BY
BUREAU OF LAND MANAGEMENT

A final environmental impact statement on a proposal to accelerate frontier area Outer Continental Shelf oil and gas leasing is available for public examination, the Department of the Interior's Bureau of Land Management announced today.

The impact statement reflects testimony collected at public hearings conducted at three different places in the Nation and a wide variety of information from outer Federal agencies and bureaus, State Governments, and the general public.

In explaining the background and purpose of the EIS issued today, BLM said a worsening national energy situation in 1973 had resulted in a decision to consider additional OCS leasing. After the Arab embargo on exporting crude petroleum products to the United States late in 1973, the Administration resolved to increase the Nation's energy self-sufficiency as soon as possible, and an expanded OCS leasing proposal came under intensive study.

The President's Council on Environmental Quality in its April 1974 report stated that, while the environmental risk of development was highest in the Gulf of Alaska and two areas of the Atlantic, the risk of damage from operations can be decreased by strict requirements for environmentally protective technology and improved practices. Further, CEQ stated that industry's ability to use technology safely is an essential element in minimizing environmental damage in new OCS areas.

The Secretary of the Interior in May 1974 ordered BLM to prepare a draft environmental impact statement that examined the expanded offshore leasing concept, and the Bureau published this two-volume, 1,500 page study on October 21, 1974. Public hearings were held on the draft statement in Anchorage, Alaska; Beverly Hills, California; and Trenton, New Jersey, in February 1975.

The hearing record contains the testimony of 344 persons during 84 hours in 9 days, and totaled 3,019 pages. The final environmental impact statement publication which resulted from that hearing record and which is being released today is contained in three volumes, totaling about 7,700 pages.

(more)

This final statement differs from former environmental impact statements in that it considers the expanded leasing proposal for the whole Outer Continental Shelf rather than the impact of a specific sale.

As specific sales are proposed, a comprehensive site-specific draft environmental statement will be prepared for each one, and public hearings held to gather additional testimony from the interested public.

The statement on the proposed expansion deals with the management system pertaining to proposed accelerated leasing, including leasing procedures, supervision, inspection, and regulation of leased operations, and monitoring of actual and threatened environmental effects of lease operations; offshore oil and gas resource potential; energy supply and demand; technology for developing oil and gas offshore; environmental settings; natural phenomena that exist in particular OCS regions and which have the potential to cause or contribute to environmental impacts arising from proposed action; the potential environmental impacts, offshore and onshore; and the alternatives to the proposed action and their environmental impacts.

BLM's draft programmatic EIS was reviewed by 14 Federal agencies, 12 coastal States, three coastal cities, and a number of citizen environmental organizations.

Reviewing or supplying essential information from Interior were the Fish and Wildlife Service, Geological Survey, Bureau of Outdoor Recreation, National Park Service, and Bureau of Mines.

Other Federal information suppliers or reviewers included the Department of Defense's Assistant Secretary and the Corps of Engineers, Federal Energy Administration, Environmental Protection Agency, Federal Power Commission, Department of Transportation's U. S. Coast Guard, ~~Energy Research and Development Administration~~, and the Department of Commerce's Assistant-Secretary for Science and Technology and the National Marine Fisheries Service.

Environmental organizations reviewing the statement included the Natural Resources Defense Council, Sierra Club, Seashore Environmental Alliance (of California), and the Center for Law and Social Policy.

Since the Draft Programmatic EIS was published nine months ago, BLM has revised its Outer Continental Shelf leasing schedule to accommodate the resolution of the Federal-State jurisdictional issue concerning the Atlantic Outer Continental Shelf. The revised schedule, however, does not propose any additional sales or any new locations.

While the accelerated leasing proposal was being studied, other site-specific proposed sales have been going through the sequential investigative steps to determine if a sale actually should be held. Sales proposed for the remainder of 1975 are OCS Sale #38A (Central Gulf of Mexico) on July 29, OCS Sale #35 (offshore Southern California) in October, and OCS Sale #39 (Gulf of Alaska) in December.

No Atlantic Outer Continental Shelf sales are proposed until 1976.

The Department has decided that a 60-day period for public review and comment on this final environmental impact statement is appropriate. The Secretary solicits such review and comment during this period, which commences with availability of the impact statement on July 11, 1975. The Secretary will make no decision during the 60-day period regarding the proposal covered by the final impact statement.

Copies of the statement are available from the following BLM offices: Office of Public Affairs, Washington, D. C. 20240; Atlantic OCS Office, 6 World Trade Center, Suite 600D, New York, New York; Alaska OCS Office, P. O. Box 1159, Anchorage, Alaska 99510; Gulf of Mexico OCS Office, 1001 Howard Avenue, New Orleans, Louisiana 70113; and Pacific OCS Office, 300 North Los Angeles Street, Los Angeles, California 90012.

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Energy Research and Development Administration,
Commerce's Assistant Secretary for Science and

Exhibit 5
DEPARTMENT of the INTERIORnews release

OFFICE OF THE SECRETARY

Ed Essertier (202) 343-3171

For Release Thursday, October 2, 1975INTERIOR APPROVES ACCELERATED OFFSHORE OIL AND GAS LEASING

Acting Secretary Kent Frizzell announced today the Interior Department has approved a program to accelerate oil and gas leasing on the Outer Continental Shelf (OCS).

Frizzell said the decision to increase offshore leasing to six sales a year from 1976 through 1978, including at least one sale in each of the Atlantic, Pacific and Alaska offshore frontier areas, was a result of national initiatives begun in 1973 designed to reduce U. S. reliance upon foreign energy sources.

"The recent oil price increase by OPEC (Organization of Petroleum Exporting Countries) again underscores the wisdom of President Ford's goal to achieve energy independence, in order to protect American jobs and prevent renewed runaway inflation," Frizzell said.

The Acting Secretary said that in 1974, the Department conducted four OCS oil and gas lease sales that resulted in lease of about 1.76 million acres of the Department's three million-acre goal for that year. He said the program announced today does not set a specific acreage figure for accelerated leasing.

"The decision to adopt the accelerated OCS leasing program is a response to America's need to achieve greater energy independence through expansion of domestic energy supplies," Frizzell said. "This establishes Department policy on a rate of OCS leasing, but does not constitute a decision on any of the specifically proposed lease sales."

Frizzell said specific proposed sales would be considered on an individual basis. Specific sales would be conducted only after requirements of the National Environmental Policy Act (NEPA) are met in each case, including preparation of an environmental impact statement.

The Acting Secretary also announced establishment of an Outer Continental Shelf Advisory Board to assist and complement present federal liaison with coastal states. He said the Board will include, among others, representatives of each coastal state, and will advise the Department on policy questions affecting the Outer Continental Shelf leasing program.

(more)

Frizzell said Department actions in recent weeks affecting proposed OCS development included issuance of regulations to prohibit major oil and gas producers from bidding jointly with one another for federal offshore leases, and proposed regulations to require offshore lessees to provide states information that will assist in assessing the onshore impact of OCS development.

Frizzell said that prior to reaching the decision to accelerate leasing, the Department had conducted in-depth studies based upon the best information available. He said a draft of the programmatic environmental impact statement on the accelerated leasing proposal was issued October 21, 1974, with subsequent public hearings in California, New Jersey and Alaska, followed by receipt of comment from individuals and groups nationwide, before the final EIS was published on July 11, 1975. The Department also accepted further comment from interested parties during an additional 60-day period which ended September 9.

"The decision announced today is based upon all of the information compiled," Frizzell said. "We have conducted public hearings in the past any time individual lease sale proposals were under consideration, and we will continue to do so following issuance of a draft EIS for each proposed sale."

"In addition, we will continue to consult closely with affected states," he said.

x x x

Exhibit 6

DEPARTMENT OF the INTERIOR

ok Sean

2182

news release

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A. Thomas

BUREAU OF LAND MANAGEMENT

For Release March 25, 1975

Robinson (202) 343-5717

NOMINATIONS AND COMMENTS SOUGHT FOR PROPOSED OIL AND GAS LEASE SALE ON MID-ATLANTIC OUTER CONTINENTAL SHELF (SALE #40)

The Department of the Interior today asked for information bearing on which tracts on the Outer Continental Shelf in the Mid-Atlantic might be offered for oil and gas leasing in a proposed sale.

The Department has asked industry to nominate Mid-Atlantic tracts that it would like to see offered for leasing because of the tracts' oil and gas resource potential. In addition, the Department has asked the general public, including the State governments, to identify tracts that they believe should not be offered for lease because of conflicting resource values, such as fishery potential, or because of unique environmental conditions.

A call for nominations and comment was issued in February by the Interior Department, but later withdrawn pending a ruling by the U.S. Supreme Court in the case of the U.S. vs. Maine.

The high court on March 17 unanimously upheld the Federal Government's exclusive right to the oil and gas resources of the Atlantic OCS beyond three miles from the coastline.

While the decision cleared the way for direct Federal action on the proposed Mid-Atlantic sale, Secretary of the Interior Rogers C. B. Morton at that time reaffirmed his intention to continue work directly with the affected coastal States.

"I want to assure the governors of our coastal States," he said, "that we will continue our policy of early and frequent discussions with them as we proceed toward the development of this precious resource."

The Mid-Atlantic area (proposed sale #40) is described in the Federal Register notice being published on March 26, 1975. The area is shown on OCS official Protraction Diagrams (Maps) NJ 18-2 Wilmington, NJ 18-3, NJ 19-1, NJ 18-5 Salisbury, NJ 18-6.

The area is located off the shores of New Jersey, Delaware, Maryland and the extreme northern coast of Virginia. No point is closer than 20 miles from shore.

These maps may be purchased for \$2.00 each from the Environmental Assessment Team Leader, Atlantic OCS Office, Bureau of Land Management, U.S. Customs House (Suite 600 D), 6 World Trade Center, New York, New York 10048.

This request for nominations and comments solicits particular geological, environmental, biological, archaeological, socio-economic, or other information which might bear upon potential leasing and development within the particular area named.

Comments are sought from Federal, State, and local governments, industry, universities, research institutes, environmental organizations, and members of the general public. The Department specifically would like to be informed if certain tracts within that area should not be offered for lease because of environmental or conflicting resource considerations and the reasons for these recommendations.

The call for nominations and comments is part of the orderly and sequential steps in the process of a proposed lease sale which conforms with the National Environmental Policy Act of 1969 (NEPA), guidelines issued by the President's Council on Environmental Quality (CEQ), and Interior regulations.

None of these steps constitutes an actual decision to hold an OCS oil and gas lease sale.

Nominations by industry and comments from the public give the Federal Government the basis for determining the next step, tentative tract selection. After the tentative tract selection is announced, a draft environmental impact statement (EIS) dealing with the specific tracts tentatively selected is published.

Public hearings are held and comments received on the draft EIS, and the results of those hearings and comments are reflected in a final EIS. Thirty days after the final EIS has been submitted to the President's Council on Environmental Quality (CEQ), the Secretary of the Interior is empowered to decide whether or not to lease and, if leasing is to occur, the size of the lease offering.

The interval between the call for nominations and comments and the actual decision on whether to hold a sale is generally at least a year.

Offshore oil and gas lease sales are being accelerated as a part of the Federal Government's effort to achieve greater energy self-sufficiency. The available geologic evidence indicates that the frontier OCS areas hold the most promise for making additional large discoveries of oil and gas.

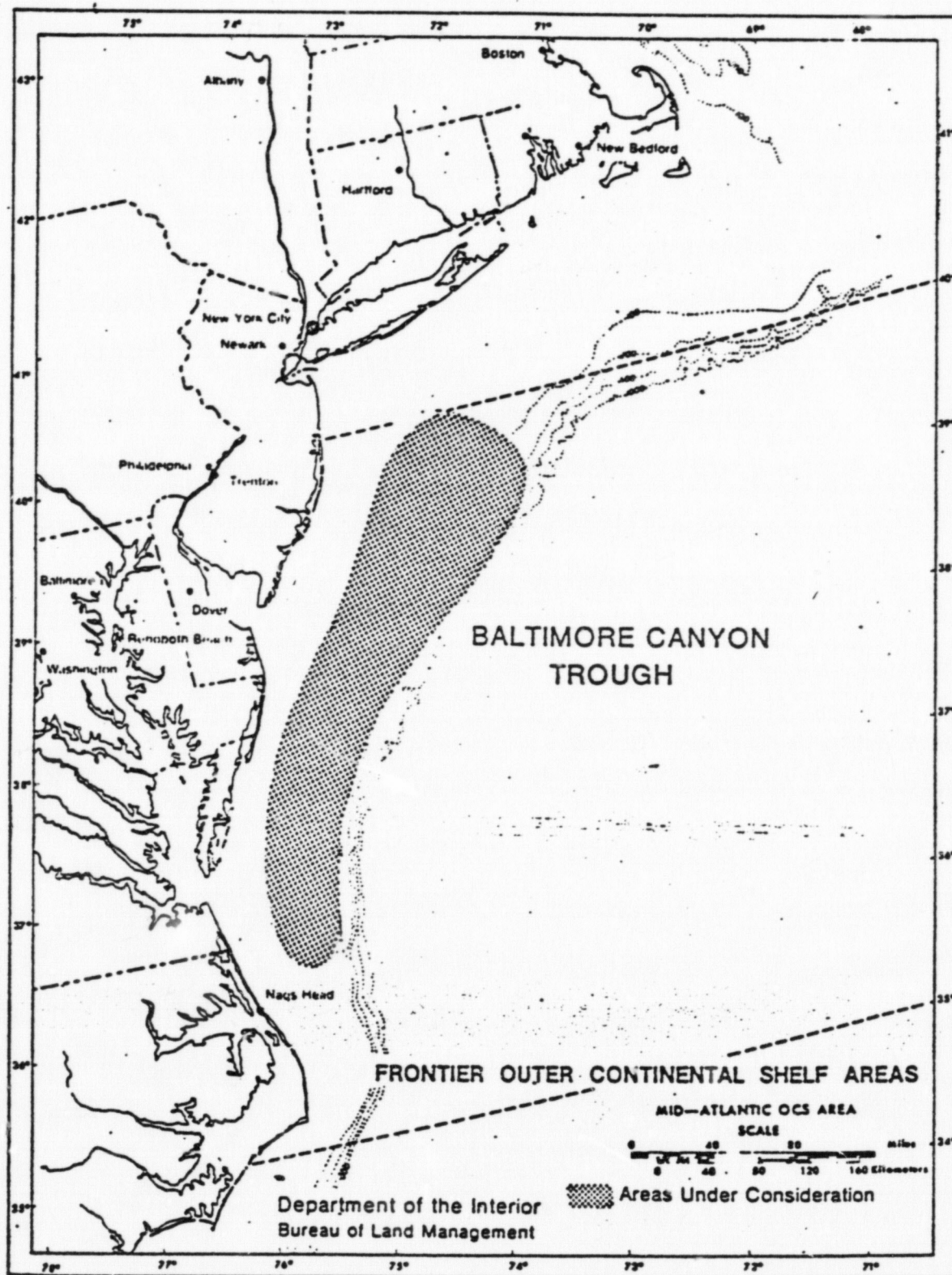
The frontier OCS areas include the Atlantic Seaboard, certain areas offshore off California and Alaskan offshore waters.

In an effort to increase the amount of OCS leasing, BLM has published a draft environmental impact statement on the total frontier area acceleration proposal, and Interior has held public hearings to provide public input.

This draft statement and these hearings, however, are a broad study of a proposed policy decision to expand nationwide frontier OCS leasing, not site-specific statements. Under the provisions of NEPA, guidelines issued by CEQ, and Interior regulations, each proposed sale also is subjected to the same sequential step process of environmental review, impact statement, and hearings before a sale decision is made.

A map showing the Mid-Atlantic OCS areas under consideration for leasing is attached.

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DEPARTMENT of the INTERIOR

news release

2186

BUREAU OF LAND MANAGEMENT

For Release June 17, 1975

Robinson (202) 343-5717

NOMINATIONS AND COMMENTS SOUGHT FOR PROPOSED OIL AND GAS LEASE SALE NORTH ATLANTIC OUTER CONTINENTAL SHELF (SALE #42)

The Department of the Interior today took the first step involving the general public in a series of actions to determine if another new or frontier Outer Continental Shelf area shall be offered for the sale of oil and gas leases.

Interior, through its Bureau of Land Management, asked for information bearing on which tracts in the North Atlantic might be offered for leasing in a sale (OCS #42) proposed for August, 1976.

In a Federal Register Notice being published June 17, BLM is asking the petroleum industry to nominate North Atlantic tracts that it would like to see offered for lease sale because of the crude oil and natural gas potential.

In addition, State governments and the general public were asked to identify tracts that should not be offered for lease sale because of conflicting resource values, such as fishery potential or unique environmental conditions.

The North Atlantic OCS area being considered for lease sale is a subsea basin which the U.S. Geological Survey refers to as the Georges Bank Trough. The area is approximately 270 miles long by 90 miles wide with its center about 110 miles southeast of Cape Cod. The area is at no point closer than 20 miles from the shoreline with the closest point being southeast from Nantucket Island.

The Georges Bank Trough is offshore the States of Rhode Island, Massachusetts, New Hampshire, and Maine. The total area in the call for nominations and comments covers some 15.8 million acres, an area about three fourths the size of the State of Maine.

International negotiations between the U.S. and Canada involve approximately the northeastern quarter of the area of this call for nominations and comments. Any future announcement or offering of tracts in the area involved in negotiation may be affected by the negotiations.

The North Atlantic area is described on OCS official Protraction Diagrams (maps) NK 19-6, NK 19-8, NK 19-9, NK 19-10, NK 19-11, NK 19-12, NK 20-4 and NK 20-7. Maps NK 19-6, NK 19-9, NK 19-12, NK 20-4 and NK 20-7 are new maps, the publication and availability of which are announced at this time. The other three maps have been available for several months.

. (more)

These maps may be purchased for \$2.00 each from the Environmental Assessment Team Leader, Atlantic OCS Office, Bureau of Land Management, U.S. Customs House (Suite 600 D), 6 World Trade Center, New York, New York 10048.

Nominations and comments should be submitted not later than August 18, 1975, in envelopes labeled "Nominations of Tracts for Leasing on the Outer Continental Shelf - North Atlantic" or "Comments on Leasing on the Outer Continental Shelf - North Atlantic," as appropriate. They must be submitted to the Director, Bureau of Land Management, Attention: 720, Department of the Interior, Washington, D.C. 20240. Copies must be sent to the Conservation Manager, Geological Survey, Eastern Region, suite 316, 1825 K Street, N.W., Washington, D.C. 20006 and to the Environmental Assessment Team Leader, Atlantic Outer Continental Shelf Office, Bureau of Land Management at his address cited above.

This request for nominations and comments solicits particular geological, environmental, biological, archaeological, socio-economic, or other information which might bear upon potential leasing and development within the particular area named.

Comments are sought from Federal, State, and local governments, industry, universities, research institutes, environmental organizations, and members of the general public. The Department specifically would like to be informed if certain tracts within that area should not be offered for lease because of environmental or conflicting resource considerations and the reasons for these recommendations.

The call for nominations and comments is part of the orderly and sequential steps in the process of a proposed lease sale which conforms with the National Environmental Policy Act of 1969 (NEPA), guidelines issued by the President's Council on Environmental Quality (CEQ), and Interior regulations.

None of these steps constitutes an actual decision to hold an OCS oil and gas lease sale.

Nominations by industry and comments from the public give the Federal Government the basis for determining the next step, tentative tract selection. After the tentative tract selection is announced, a draft environmental impact statement (EIS) dealing with the specific tracts tentatively selected is published.

Public hearings are held and comments received on the draft EIS, and the results of those hearings and comments are reflected in a final EIS. Thirty days after the final EIS has been submitted to the President's Council on Environmental Quality (CEQ), the Secretary of the Interior is empowered to decide whether or not to lease and, if leasing is to occur, the size of the lease offering.

The interval between the call for nominations and comments and the actual decision on whether to hold a sale is generally about 12 to 18 months.

2188

At the same time, BLM's baseline environmental studies program of the North Atlantic waters and possible impacts on coastal State shorelines is going forward.

Offshore oil and gas lease sales are being accelerated as a part of the Federal Government's effort to achieve greater energy self-sufficiency. The available geologic evidence indicates that the frontier OCS areas hold the most promise for making additional large discoveries of oil and gas.

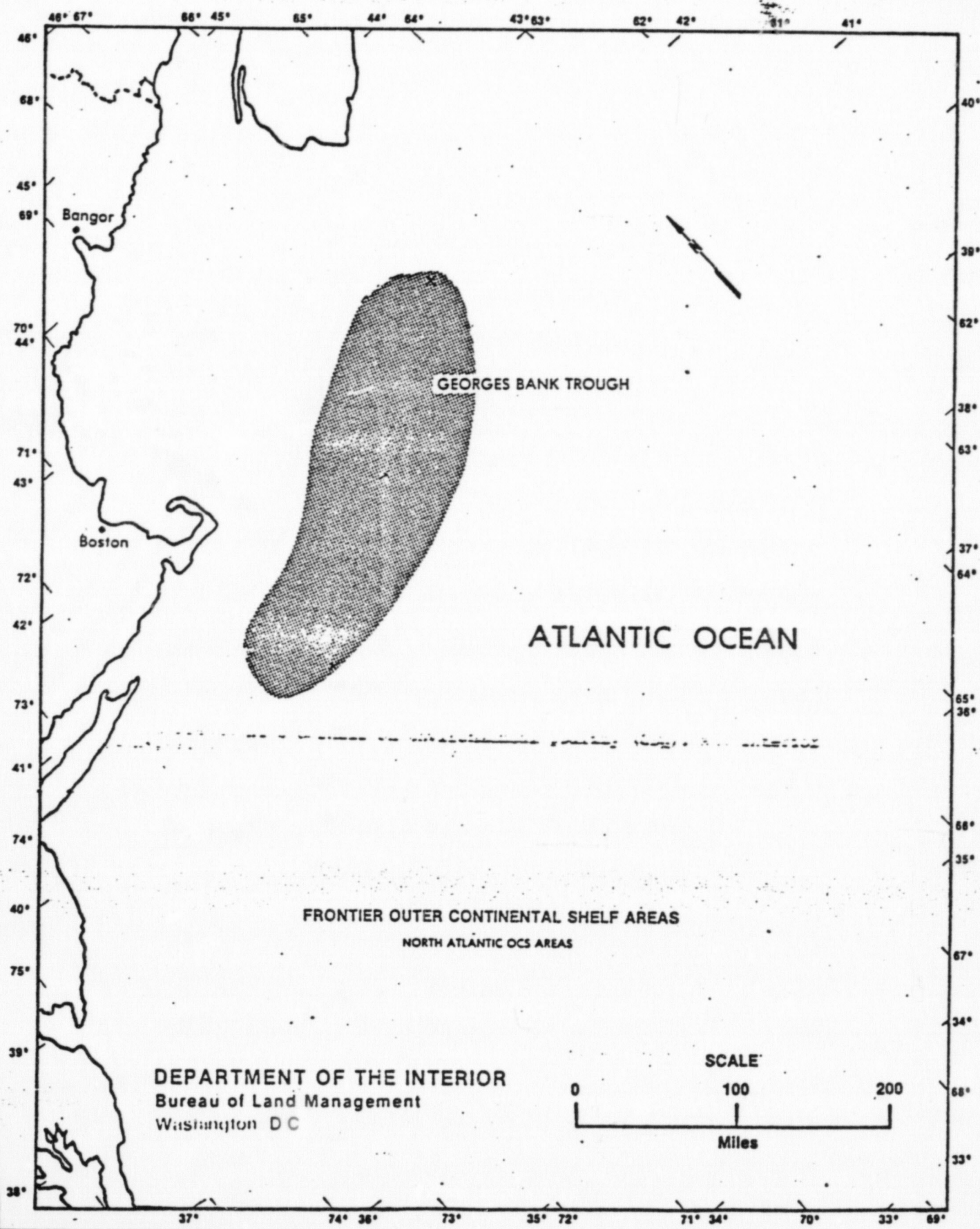
The frontier OCS areas include areas offshore the Atlantic Seaboard States, certain areas offshore California, and Alaskan offshore waters.

In an effort to increase the amount of OCS leasing, BLM has published a draft environmental impact statement on the total frontier area acceleration proposal, and Interior has held public hearings to provide public input. A final EIS on the proposed frontier area acceleration is expected this month.

This draft statement and these hearings, however, are a broad study of a proposed policy decision to expand nationwide frontier OCS leasing, not site-specific statements. Under the provisions of NEPA, guidelines issued by CEQ, and Interior regulations, each proposed sale also is subjected to the same sequential step process of environmental review, impact statement, and hearings before a sale decision is made.

A map showing the North Atlantic OCS areas under consideration for leasing is attached.

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DEPARTMENT OF THE INTERIOR
Bureau of Land Management
FRONTIER OUTER CONTINENTAL SHELF AREAS
NORTH ATLANTIC OCS REGION

GEORGES BANK TROUGH

Areas Under Consideration

 Areas of Public Concern

SCALE
0 10 20 30 40 50
Miles

Boston *

Providence *

LONG ISLAND



2150

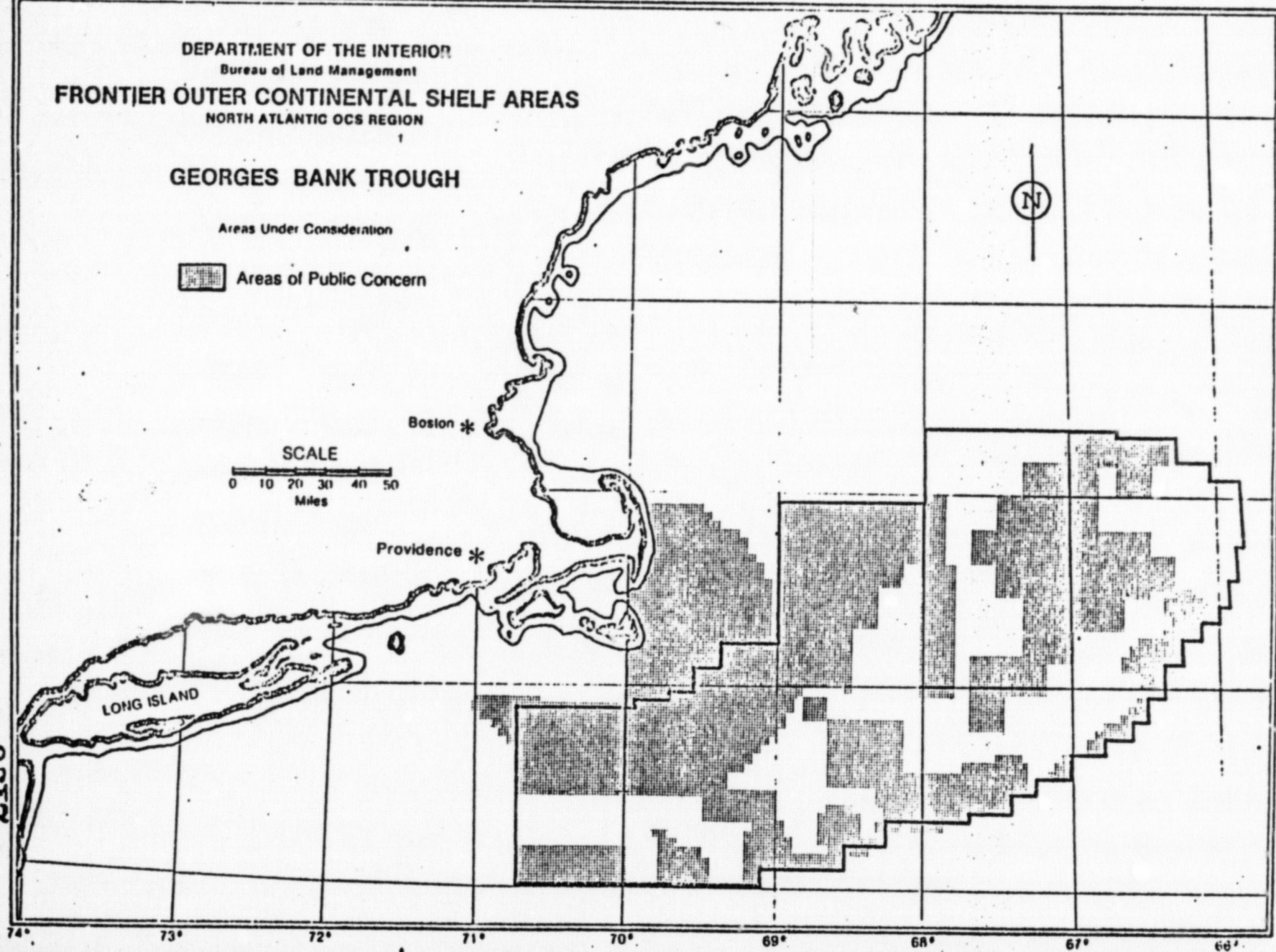


Exhibit 8

2131

DEPARTMENT of the INTERIOR

news release

BUREAU OF LAND MANAGEMENT

For Release September 12, 1975

Robinson (202) 343-5717

INTERIOR SEEKS NOMINATIONS AND COMMENTS FOR PROPOSED SOUTH ATLANTIC OCS LEASE SALE (OCS #43)

The Department of the Interior's Bureau of Land Management today asked for information bearing on which tracts should be offered in a proposed offshore oil and gas lease sale in the South Atlantic submerged land area known as the Southeast Georgia Embayment.

The area under consideration totals about 20.7 million acres (8.4 million hectares) involving 3,726 tracts off the coasts of the States of North Carolina, South Carolina, Georgia and Florida. The proposed acreage lies in water from about 40 to 1,800 feet deep (12 to 550 meters), ranges from three to 132 miles offshore.

The general area is bounded on the north by Cape Fear on the coast of North Carolina, and on the south by Cape Canaveral on the coast of Florida.

BLM's call for nominations and comment in a third Atlantic Coast Outer Continental Shelf area is being published in the Federal Register September 12. The South Atlantic sale OCS #43 is proposed for November 1976. The call is the first step leading to a sale decision which involves public participation.

In a call for nominations and comment, the petroleum industry is asked to specify the particular tracts on which it would like to bid if a sale is held.

BLM also seeks from other Federal agencies, State and local governments, environmental organizations, educational institutions and the general public identification of those tracts they believe should not be leased because of certain specific user interests or environmental conflicts or tracts which should be leased only under special environmental restrictions.

"We are aware that there may be resource use conflicts with commercial and sport fishing, and other users of the areas," a BLM Minerals Management spokesman said. "The precise locations of unique subsea coral formations and historic shipwreck relics also have to be considered in selecting tracts for a proposed sale," the Marine Minerals spokesman said.

BEST COPY AVAILABLE

In issuing the call for nominations and comment in the Southeast Georgia Embayment, BLM has begun the information-gathering phase of Interior's leasing procedure for the third area in Atlantic Seaboard offshore waters.

Earlier requests for such information have been issued for the Mid-Atlantic Baltimore Canyon Trough (proposed OCS Sale #40 tentatively scheduled for May 1976), and the North Atlantic Georges Bank (proposed OCS Sale #42 tentatively scheduled for August 1976).

BLM pointed out that in previous OCS frontier areas, industry nominations of specific areas and comments from other interested Federal and State agencies and groups have resulted in less acreage being tentatively selected for further consideration in the EIS than was originally offered for nominations and comments.

In the case of proposed OCS Sale #35 offshore Southern California, for example, 7.7 million acres were included in the call for nominations and comments; however, only 1.6 million acres were tentatively selected. A total of 6.5 million acres (2.4 million hectares) was included in the call for nominations and comments area for OCS sale #40 in the Mid-Atlantic Baltimore Canyon Trough. Industry interest was expressed in 3.2 million acres (1.3 million hectares) and the tentative tract selection included 876,750 acres (354,816 hectares).

Geological, environmental, biological, archaeological, socio-economic, and other information which might bear upon potential leasing and development of particular tracts in the South Atlantic is being sought.

Such information is used to develop recommendations to the Department for tentative selection of tracts in the OCS area for which a draft environmental impact statement will be prepared. Public hearings on the EIS are held later.

Each step in the process must comply with requirements of the National Environmental Policy Act (NEPA), guidelines issued by the President's Council on Environmental Quality (CEQ), and Departmental regulations. None of these steps, however, constitutes a decision to hold a sale.

Further compliance includes preparation of a final environmental impact statement, which reflects the views of witnesses at the hearings and written submissions to the hearing record. The final statement must be submitted to CEQ for at least 30 days review before the Secretary of the Interior is authorized to make a decision whether or not to hold a sale.

The Secretary may also determine whether to eliminate some of the areas studied, and what lease stipulations shall be imposed on lessees in the exploration, development, and recovery phases of oil and gas deposits on the Outer Continental Shelf.

2193

The interval between a call for nominations and the actual decision concerning a sale is generally between a year and 18 months.

Nominations and comments should be submitted not later than November 3, 1975, in envelopes labeled "Nominations of Tracts for Leasing on the Outer Continental Shelf - South Atlantic" or "Comments on Leasing on the Outer Continental Shelf - South Atlantic" as appropriate.

These envelopes must be submitted to the Director, Bureau of Land Management, Attention: 720, Department of the Interior, Washington, C. C. 20240.

Copies must be sent to the Area Oil and Gas Supervisor, Geological Survey, Eastern Region, Suite 316, 1825 K Street N.W., Washington, D. C. 20006, and to the Manager of the BLM Gulf of Mexico Outer Continental Shelf Office, 1001 Howard Avenue, The Plaza Tower, Suite 3200, New Orleans, Louisiana 70113.

A map of the area in the South Atlantic under consideration for leasing is attached.

x x x

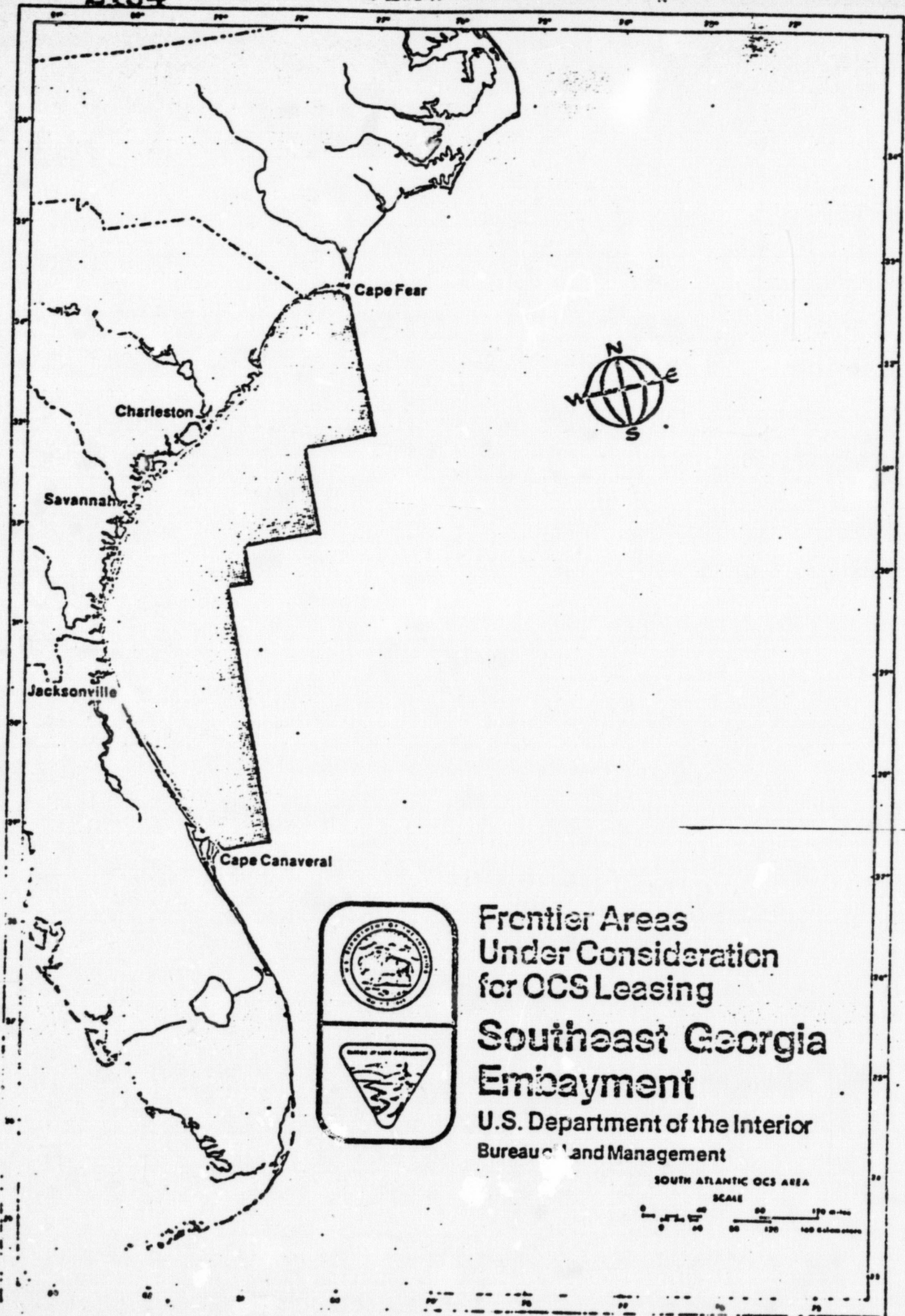


Exhibit 9

2195

DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

Newman (202) 343-3171

For Release October 2, 1975

OUTER CONTINENTAL SHELF ADVISORY BOARD ESTABLISHED

An Outer Continental Shelf (OCS) Advisory Board has been established by Acting Secretary of the Interior Kent Frizzell following consultation with the Office of Management and Budget, and in accordance with provisions of the Federal Advisory Committee Act, it was announced today.

"The acceleration in the OCS leasing program and the extension of the program to frontier areas have created an increased need for interaction with the coastal States," Frizzell said. "The OCS Advisory Board will provide the necessary liaison with the States."

Frizzell explained that the Board will be chaired by the Secretary or his designee. The Governor of each coastal State will be asked to nominate for appointment by the Secretary, one policy level person to serve as a member of the Board. The Secretary will appoint not more than six members from the private sector at his discretion; these appointments shall be made to effect balance in terms of points of view and functions of the Board. In addition, ex-officio members of the Board will be appointed from the Environmental Protection Agency, the Department of Commerce, Council on Environmental Quality, Department of State, Department of Defense, Department of Transportation and the Federal Energy Administration.

The broad objective of the Board is to advise the Secretary of the Interior and other officers of the Department in the performance of discretionary functions under the Outer Continental Shelf Lands Act, including all aspects of exploration and development of OCS resources. This Board will deal with policy issues relating to the OCS program.

The OCS Research Management Advisory Board will remain in operation to provide guidance on scientific matters. The Charter of this Board will be amended to provide interaction with the OCS Advisory Board.

The OCS Advisory Board will meet at least twice a year. Representatives of the five principal coastal regions shall meet at least three times a year.

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DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

Ed Essertier (202) 343-3171

For Immediate Release September 26, 1975INTERIOR BANS JOINT BIDDING BY MAJOR PRODUCERS
ON OFFSHORE OIL AND GAS TRACTS

Major oil and gas producers can no longer bid jointly with one another for Federal offshore leases as a result of new Interior Department regulations announced today by Acting Secretary Kent Frizzell.

"These regulations are in line with the Administration's intent to foster competition by encouraging more producers to bid independently in Federal offshore lease sales," Frizzell said. "President Ford wants to insure a return of fair market value from offshore leases for the people of the United States. Additional competition will help accomplish that goal."

Frizzell explained that the regulations will prohibit major companies -- those producing more than 1.6 million barrels a day of crude oil, natural gas and liquefied petroleum products -- from bidding jointly with each other for Federal offshore tracts. Smaller producers -- those under the 1.6 million daily figure -- could continue to bid jointly with each other and with the majors.

The Acting Secretary said he is hopeful that the anticipated increase in competition among producers at lease sales will boost domestic oil and gas development and help offset energy shortages, while returning benefits to taxpayers and oil and gas consumers.

The new regulations, which are being published in the Federal Register on October 1, 1975, differ in at least one respect from those proposed by Interior last February 21 for comment and review. The new rules would require companies wishing to bid jointly for leases to submit sworn statements that in a recent base period they did or did not have production exceeding 1.6 million barrels a day worldwide. As previously proposed, the companies would have had to submit the actual production figures, although the Department may still require companies to document their sworn statements.

Companies will be required to include their subsidiaries and parent firms in computing production. The Bureau of Land Management would administer the regulations.

Two annual "bid periods" would be established--May 1 through October 31, and November 1 through April 30. Prospective bidders would file sworn statements 45 days before each bid period as to their production during a prior six-month production period.

For example, a company wishing to bid at a sale in the period from May 1 through October 31 would have to file a Statement of Production no later than March 15 as to its average daily production between the prior July 1 and December 31 period. The Department would publish a list of restricted bidders

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NEW YORK

3 COUNTY OF SUFFOLK, COUNTY OF MASSAU,
4 TOWN OF ISLIP, TOWN OF HEMPSTEAD, TOWN
5 OF NORTH HEMPSTEAD, TOWN OF CYSTER BAY,
TOWN OF HUNTINGTON, and the BOARD OF
TRUSTEES OF THE TOWN OF HUNTINGTON,

6 . Plaintiffs,

7 -against-

8 SECRETARY OF THE INTERIOR and CURTIS J.
9 BERKLUND, individually and as Director
of the Bureau of Land Management,

10 Defendants.

Civil Action

No. 75 C 208

11
12 CITY OF WASHINGTON)
13 DISTRICT OF COLUMBIA)

14 Affidavit of Royston C. Hughes

15 ROYSTON C. HUGHES, being duly sworn, deposes and states the
16 following:

17 1. I am now and have been at all times material to this affidavit
18 Assistant Secretary of the Interior for Program Development and Budget. I
19 am responsible for supervising the Office of OCS Program Coordination, and
20 in this capacity I am familiar with the administration of Outer Continental
21 Shelf (OCS) oil and gas leasing under the OCS Lands Act, 43 U.S.C. 1331-1343
22 (1970). This affidavit is based upon personal knowledge, records of the
23 Department of the Interior, and information derived from Departmental staff,
24 including officials of the Office of the Solicitor.

25 2. The OCS planning effort within the Department of the Interior
26 and the principal functions comprising that effort have been described in my
27 earlier affidavit of October 13, 1973, which has been filed with the court.
28 The principal aspects of the planning effort that are involved in this
29 litigation are: (1) the program to accelerate OCS oil and gas leasing
30 nationwide and (2) a proposal for an OCS oil and gas lease sale offshore the
31 mid-Atlantic coast. The procedures followed by the Department in considering
32 these proposals have been discussed in affidavits filed with the court

1 earlier. The consideration given to the proposed OCS lease sale offshore the
2 mid-Atlantic coast since the filing of the affidavits referred to will be
3 discussed below.

4 Current Status of OCS Lease Sale Proposals

5 3. No decision has been made by the Secretary of the Department
6 as to whether or not a proposed OCS oil and gas lease sale of lands offshore
7 the mid-Atlantic coast will be held, whether it should be deferred, what
8 tracts should be included in any sale, or what terms should be incorporated
9 in any lease issue if there is a sale.

10 4. On December 10, 1975, the Department announced that the Bureau
11 of Land Management had prepared a draft environmental impact statement (EIS)
12 (Exhibit No. 1) for a proposed OCS oil and gas lease sale (OCS No. 40) off
13 the mid-Atlantic coast in the Baltimore Canyon Trough area and that this
14 draft statement is available for public review and comment. (See Exhibit
15 No. 2)

16 5. The draft EIS covers a total of 154 tracts consisting of
17 876,750 acres in an area located from 54 to 109 miles off the coasts of
18 Delaware and New Jersey, in waters from 36 to 173 meters (118 to 571 feet)
19 deep.

20 6. Before and during preparation of the draft statement, federal
21 agencies were contacted for information and suggestions. Eight department
22 and independent agencies and 23 bureaus were asked to help review sections as
23 they were prepared.

24 7. Between November 1975 and completion of the document, the
25 Bureau of Land Management's New York OCS Office contacted Atlantic Coastal
26 State agencies, county governments, and regional planning commissions for
27 input. Working versions of the EIS sections were reviewed by these agencies.

28 8. The draft EIS lists over 50 other private organizations,
29 educational institutions, professional and technical societies, trade
30 associations, business firms, environmental groups, and research organizations
31

1 which were contacted for information and verification of data as the draft
2 statement was being prepared.

3 9. On December 19, 1975, the Bureau of Land Management announced
4 that public hearings would be held on the draft EIS for the proposed OCS lease
5 sale offshore the mid-Atlantic coast during the period January 27, 1976, to
6 January 30, 1976, in Atlantic City, New Jersey. (See Exhibit No. 3)

7 10. These hearings are part of the information-gathering process
8 designed to provide the Secretary of the Interior with additional information
9 from both the public and private sectors to help him fully evaluate the potential
10 effects of the proposed sale on the total environment, marine resources,
11 recreation, economic and other resources in the entire area during potential
12 exploration, development, and operations phases of potential lease activities.

13 11. The oral testimony and written comments submitted to the
14 Bureau of Land Management will be reviewed and evaluated prior to the prepara-
15 tion of the final EIS. Such testimony and comments will be reflected in the
16 final statement which will be submitted to the Council on Environmental Quality
17 (CEQ) and made available to the public.

18 12. The Secretary cannot make any determination as to whether or
19 not to hold said lease sale until 30 days after the final EIS has been submitted
20 to CEQ.

21 13. Of the 17 stages in the Department's procedures for considering
22 whether or not to hold an OCS lease sale, the Department has completed Stage 7
23 with respect to this lease sale proposal. Public hearings on the draft EIS
24 (Stage 8) are scheduled to commence on January 27, 1976, in Atlantic City,
25 New Jersey. The 17 stages of consideration referred to above are described
26 in the Reply Memorandum of the Defendants to Plaintiffs' Memorandum Submitted
27 in Opposition to the Government's Motion to Dismiss and for Summary Judgment,
28 at pp. 11-15.

29 14. On January 5, 1976, plaintiffs filed with the court a motion
30 to circulate the program decision option document for the accelerated OCS oil
31 and gas leasing program. Plaintiffs request that the Secretary be enjoined,
32 inter alia, from conducting any further proceedings directed toward a proposed

1 lease sale in the North Atlantic OCS area pending circulation of this document
2 for public comment. The Department has been considering a proposal for an OCS
3 oil and gas lease sale in the Georges Bank area of the North Atlantic OCS
4 (OCS No. 42). In view of plaintiffs' motion, the status of proposed OCS
5 lease sale No. 42 is discussed below.

6 15. On June 17, 1975, the Bureau of Land Management asked industry
7 to nominate tracts on which it would like to bid if a sale bid were held in
8 the North Atlantic OCS area, and also invited other federal agencies, state and
9 local governments, environmental groups, and the general public to specify
10 tracts or groups of tracts which in their view should not be offered in any
11 sale held in that area. (See Exhibit No. 4)

12 16. On August 29, 1975, the Bureau of Land Management announced
13 that 18 oil companies had nominated 10.9 million acres for potential OCS
14 leasing in the Georges Bank Trough area offshore the North Atlantic coast.
15 (See Exhibit No. 5)

16 17. Five coastal states, commercial fishing interests, and citizen
17 planning groups also responded to the invitation to comment on potential leasing
18 in the North Atlantic OCS area and identified areas which they believed should
19 not be leased because of environmental or resource use conflicts. The areas
20 where the states, fishing industry, and citizen planning groups felt there
21 should be no leasing or leasing only with stringent environmental lease
22 restrictions in the event of the sale were generally spread throughout the
23 tracts covering 15.8 million acres which were open for nominations.

24 18. On January 2, 1976, the Bureau of Land Management announced
25 that 206 tracts totalling 1,172,796 acres have been tentatively selected for
26 intensive study in a draft EIS to be prepared for a proposed OCS lease sale
27 (OCS No. 42) in the North Atlantic OCS area. (See Exhibit No. 6)

28 19. The tracts which will be the subject of the draft EIS are
29 situated in waters about 50 miles to 200 miles offshore from Nantucket Island,
30 Massachusetts. Water depth in the tract area varies from 15 to 200 meters
31 (45 to 600 feet).
32

1 20. Representatives from the States of Maine, New Hampshire,
2 Massachusetts, Rhode Island, Connecticut, and New York were invited to
3 participate in three meetings between August 29 and November 7, 1975, with
4 the Bureau of Land Management and the Geological Survey of the Department.
5 These meetings were held to prepare recommendations to the Department for
6 tract selection in the Georges Bank Trough area of the North Atlantic.

7 21. The Bureau of Land Management has begun preparation of a
8 draft EIS for the proposed OCS lease sale offshore the North Atlantic coast.
9 The draft statement is expected to be ready for publication in June 1976.
10 Thereafter, public hearings would be held on the draft EIS, and a final EIS
11 would be prepared. The final statement would reflect oral testimony and written
12 comments submitted on the draft EIS. The final EIS would be submitted to CEQ
13 and made available to the public. In no event would the Secretary make a
14 decision as to whether or not to hold an OCS oil and gas lease sale in the
15 North Atlantic OCS area sooner than 30 days after a final EIS had been submitted
16 to CEQ and made available to the public.

17 22. Of the 17 stages in the Department's procedures for considering
18 whether or not to hold an OCS oil and gas lease sale, the Department is currently
19 at Stages 6 and 7 with respect to OCS lease sale proposal No. 42.

20 Delay for Publication of Draft EIS
21 for Proposed North Atlantic Lease Sale

22 23. Plaintiffs have also asked the court to enjoin further
23 proceedings on the proposed lease sale in the mid-Atlantic CCS area until
24 circulation of a draft EIS for the proposed sale No. 42 in the North Atlantic
25 OCS area. The reason suggested is that the shoreline of Long Island would be
26 adversely impacted both economically and environmentally by proposed sale No.
27 42 as well as by proposed sale No. 40. They further state that both proposed
28 areas are about 50 miles from the shores of Long Island and clearly within
29 the range of impact.

30 24. As stated above, the Bureau of Land Management has just begun
31 its intensive study of potential environmental impacts of proposed OCS lease
32 sale No. 42 offshore the North Atlantic coast. Thus, it is not possible to

1 make a definitive statement with respect to the potential environmental
 2 impact of proposed OCS lease sale No. 42, including any potential impact
 3 on Long Island. However, certain things are known and certain preliminary
 4 studies have been made which indicate that there is little probability of
 5 impact from the proposed North Atlantic OCS lease sale on the Long Island coast
 6 or Long Island communities.

7 25. Of the 1,172,796 acres proposed for the North Atlantic OCS
 8 lease sale, the closest acreage to Long Island is approximately 100 miles
 9 away. The great bulk of the acreage proposed for lease is situated some 185
 10 miles distant from Long Island. The distances from Long Island of five small
 11 groupings of tracts and a large cluster of tracts in the North Atlantic OCS
 12 lease sale area are set forth below:

- 13 a. Map NK 19-10 - Block Nos. 614, 615, 616 - 17,080 acres.
 14 Closest point to Long Island - 100 miles.
- 15 b. Map NK 19-11 - Block Nos. 756, 800, 801 - 17,080 acres.
 16 Closest point to Long Island - 122 miles.
- 17 c. Map NK 19-11 - Block Nos. 322, 323 - 11,386 acres.
 18 Closest point to Long Island - 128 miles.
- 19 d. Map NK 19-11 - Block Nos. 284, 285, 286, 328, 329, 330,
 20 331, 372, 373, 374, 375 - 62,625 acres. Closest point
 21 to Long Island - 146 miles.
- 22 e. Map NK 19-08 - Block Nos. 600, 601, 643, 644, 687 -
 23 28,466 acres. Closest point to Long Island - 164 miles.
- 24 f. Map NK 19-11 - Large cluster of tracts - 1,036,159
 25 acres. Closest point to Long Island - 188 miles. The
 26 The tracts in this category represent 83 percent of the
 27 tract acreage proposed for lease.

28 26. Because of the considerable distances between the tracts
 29 proposed for leasing in the North Atlantic OCS area and the Long Island coast,
 30 the risk of potential impacts from oil spills is correspondingly reduced.
 31 Preliminary models predict little probability of impact on the Long Island
 32 coast from potential oil spills in the North Atlantic OCS area under consideration

1 for leasing. Spills in the vicinity of the tracts closest to Long Island
2 would take approximately 30 days to reach shore. The considerable amount of
3 weathering that would occur during this period of time would greatly lessen
4 any potential impact from any such spill.

5 27. The Bureau of Land Management does not have any reason to
6 expect that Long Island would be the situs of any support facilities or pipe-
7 line landings associated with potential North Atlantic OCS leasing. At this
8 time, therefore, there is no basis for predicting any potential impact on the
9 socioeconomic structure of the Long Island communities in question.

10 28. The draft EIS for the North Atlantic OCS lease sale proposal
11 will discuss any potential impacts from that sale proposal on the Long Island
12 coastline and Long Island communities. At this stage of study, the Bureau of
13 Land Management does not feel that there would be any significant cumulative
14 impact on Long Island from proposed OCS lease sale No. 40 in the mid-Atlantic
15 OCS area and proposed OCS lease sale No. 42 in the North Atlantic OCS area.
16 The distances of tracts in the North Atlantic lease sale proposal to the north
17 and northeast of Long Island have been set out above. The tracts proposed for
18 lease in the mid-Atlantic OCS area are south and southwest of Long Island.

19 29. The closest tract to Long Island in the proposed mid-Atlantic
20 lease sale area is 75 miles away (see Map NJ 18-3, Block No. 411). The closest
21 tracts to each other in the mid-Atlantic OCS lease sale proposal and the North
22 Atlantic OCS lease sale proposal are 140 miles apart (see Map NJ 18-3, Block
23 No. 554 (proposed sale No. 40) and Map NK 19-10, Block No. 614 (proposed sale
24 No. 42)). The considerable distances from Long Island of the potential leasing
25 areas in the mid-Atlantic OCS area and the North Atlantic OCS area would
26 mitigate against the significance of potential impact upon Long Island
27 attributable to oil spills.

28 Program Decision Option Documents

29 30. Plaintiffs are asking the court to issue an order directing
30 the circulation of the program decision option document (PDOD) for the
31 accelerated OCS oil and gas leasing program for public comment and considera-
32 tion as part of the NEPA process. The Department would also be directed to

1 "indication" of the reasons for and benefits of a proposal. (See 40 CFR
2 1500.8(8).) Compare this with CEQ's suggestion concerning the discussion
3 of alternatives wherein CEQ states that "a rigorous exploration and objective
4 evaluation" should be made. (See 40 CFR 1500.8(4).)

5 36. In conformity with the discussion in the OCS programmatic
6 final EIS section describing the proposed action and procedures for considering
7 the proposal (Vol. 1, Sec. I.D.), a PDOD pertaining to the accelerated OCS
8 leasing program was prepared and submitted for Secretarial consideration prior
9 to a decision. No statement is made in the above-mentioned EIS discussion
10 that the public would be asked to review proposed PDODs for OCS leasing pro-
11 posals prior to submitting the matters for Secretarial decision.

12 37. There is a reference in the final EIS to public comment on
13 the PDOD pertaining to the accelerated OCS leasing program. This reference
14 appears in a response by Departmental staff to one of the large number of
15 letters of comment received by the Department on the OCS programmatic draft
16 EIS (see, e.g., Vol. 2, p. 1033). No determination was made by any policy
17 level official to request public comment on the PDOD, and the reference to
18 such comment was a mistake on the part of the Departmental staff. In order to
19 correct any misunderstanding in this regard, the Department published a notice,
20 dated September 25, 1975, in the Federal Register stating that it did not
21 propose to make the PDOD available for comment by the public. (40 F.R. 44344
22 (September 26, 1975)) (See Exhibit No. 9-A)

23 Policy Level Review Relative to PDOD for the Program
24 to Accelerate OCS Oil and Gas Leasing Nationwide

25 38. Departmental staff began preparation of a PDOD for the
26 program in July 1975.

27 39. On August 1, 1975, I had submitted for review and comment to all
28 Assistant Secretaries, the Solicitor, and the Directors of the Bureau of Land
29 Management, the Geological Survey, and the Fish and Wildlife Service, a draft
30 PDOD for the accelerated OCS oil and gas leasing program. (See Exhibit 9-B)

31 40. Comments from the officials referred to in paragraph 39 were
32 reviewed and a final draft PDOD was prepared by Departmental staff.

1 41. On September 18, 1975, a final draft PDOD was submitted by me
2 to all Assistant Secretaries, the Solicitor, and the Directors of the Bureau
3 of Land Management, the Geological Survey and the Fish and Wildlife Service.
4 These officials were asked to provide their views and recommendations con-
5 cerning the issues covered by the PDOD. The views and recommendations of these
6 officials responding to the request were submitted during the period
7 September 22-24, 1975. The Solicitor and Director, Geological Survey, did
8 not comment on the policy options. (See Exhibit No. 9-C)

9 42. Upon review of the recommendations and views of policy level
10 officials referred to, I determined that no changes were required in the PDOD.
11 On September 26, 1975, I submitted a memorandum with the PDOD attached,
12 asking for the Acting Secretary's decision on the accelerated OCS leasing
13 program. (See Exhibit No. 10)

14 43. The Departmental review process is a continuing one, and
15 no document is considered final until actually submitted to the decision
16 maker. In the case of the accelerated OCS leasing program, the ultimate
17 recipient was the Acting Secretary. Consequently, the PDOD was not considered
18 to be final until it was submitted to Acting Secretary Frizzell on September 26,
19 1975.

20 44. Certain other documents were also submitted to the Acting
21 Secretary on September 26. The Associate Director, Bureau of Land Management,
22 submitted the following material: (1) the text of comments received from
23 governmental agencies and the public on the OCS programmatic final EIS;
24 (2) an executive summary of the issues raised by the comments; and (3) a
25 staff evaluation of the comments received by the Department. (See Exhibit No.
26 11) A copy of the Summary and Evaluation of Comments on the final EIS for the
27 southern California OCS lease sale is attached as an example of the evaluations
28 made of comments on a site-specific final EIS. (See Exhibit No. 12)

29 45. The proposed OCS programmatic final EIS had been reviewed
30 by the Solicitor's Office, which was then under the direction of Mr. Frizzell,
31 and a copy of the final EIS was available to him on publication. A copy of the
32

1 final EIS was also attached to my memorandum to the Acting Secretary dated
2 September 26, 1975.

3 46. On September 25, 1975, a decision meeting was held by the
4 Acting Secretary on the proposal to accelerate OCS oil and gas leasing. All
5 Assistant Secretaries, and/or their representatives, the Acting Solicitor, and
6 Directors and/or representatives of the Bureau of Land Management, the
7 Geological Survey, and the Fish and Wildlife Service attended and participated
8 in the meeting. Thereafter, on September 29, Acting Secretary Frizzell decided
9 to adopt the accelerated OCS oil and gas leasing program.

10 47. This is the fifth time and the third court in which the
11 Department has been required to defend against moves to prevent it from pro-
12 ceeding to consider means to implement the accelerated OCS leasing program.

13 48. On January 6, 1975, and November 17, 1975, Judge Williams
14 denied plaintiffs' request for injunctive relief in People of the State of
15 California, ex rel. v. Morton, et al., in the District Court for the Central
16 District of California. (See Exhibits Nos. 13 and 14) On October 14, 1975,
17 this court denied plaintiffs' request for preliminary injunctive relief in
18 County of Suffolk, et al. v. Secretary of the Interior, et al. On December 5,
19 1975, Judge Robinson denied plaintiffs' request for injunctive relief in
20 Southern California Association of Governments, et al. v. Kleppe, et al., in
21 the United States District Court for the District of Columbia. (See Exhibit
22 No. 15)

23 49. In its ruling on October 14, 1975, this court stated that it
24 would not entertain another motion for injunctive relief until plaintiffs'
25 were actually threatened with damage, i.e., if a lease sale were imminent.
26 The only action the defendants are taking now that are relevant herein is a
27 continuation of its environmental study of a proposed lease sale in the mid-
28 Atlantic OCS area. Environmental study of a North Atlantic OCS lease sale is
29 also underway. In neither case has a decision been made to hold a lease sale.
30 Consequently, there has been no significant change in the status of Departmental
31 consideration since the court's ruling of October 14, 1975, denying plaintiffs'
32 earlier request for injunctive relief.

1 50. Plaintiffs have alleged that data presented in the PDOD are
2 inconsistent with data presented in the OCS programmatic final EIS. The
3 Department has reviewed these allegations and finds no basis for such claims.
4 It is true that supplemental and more sophisticated data were incorporated
5 into the PDOD. But this is in keeping with the purpose and scope of a PDOD
6 as described above. .

7 51. The statement of one author is quoted by plaintiffs for the
8 proposition that, because of the world-wide energy supply there is no energy
9 crisis. This is not relevant to our concerns. What we are attempting is to
10 aid the Nation in achieving greater energy self-sufficiency by increasing domestic
11 energy production where possible. The goal that is sought is to be less
12 dependent on foreign sources of oil.

13 52. Another contention advanced by plaintiffs is that a scenario
14 in the Federal Energy Administration's Project Independence Report indicates
15 that a rapidly expanded OCS leasing program could possibly lead to an energy
16 surplus followed by a further decline in domestic resources. We note that the
17 Department eliminated its ambitious 10 million acre OCS leasing goal in
18 November 1974, subsequent to the time that that report was prepared. Plaintiffs
19 contend this FEA scenario should have been discussed in the PDOD. The PDOD,
20 however, represents the Department's staff view of viable alternatives open to
21 the Secretary. The staff did not and does not believe that there is any
22 realistic chance that this background possibility could occur under the program
23 adopted by the Department.

24 53. Nor can we perceive any merit in plaintiffs' contention that
25 the PDOD : question should be submitted to the Department of Justice and
26 Federal Trade Commission for comment on anti-competitive practices of major
27 oil companies. There is nothing in the PDOD which is relevant to that
28 question. The bidding procedures adopted by the Department for OCS leasing
29 are a matter of public information. Thus, anything in the PDOD on the latter
30 subject is already available to the agencies referred to, which have
31 independent statutory authority to enforce the laws relating to antitrust and
32 anti-competitive matters.

54. The Department believes it is generally recognized that the energy situation is a critical national concern. (See Judge Williams' opinion, Exhibit No. 14) Because of this situation, the Department has been considering OCS lease sale proposals as a means to aid in achieving greater energy self-sufficiency. Any delay in this consideration will have an adverse effect on implementation of the OCS leasing program. For example, if the Secretary were to determine, after considering environmental factors, that a particular OCS lease sale would not be held, consideration of a replacement sale proposal would, if environmental studies were halted now, be needlessly delayed.

Royston C. Hughes
 Royston C. Hughes

Subscribed and sworn to before me, this 10th day of January, 1976.

[Signature]
 Notary Public

My Commission expires 1-1-1977

DEPARTMENT of the INTERIOR**news release**

BUREAU OF LAND MANAGEMENT

For Release December 10, 1975

Robinson (202) 343-5717

**DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR PROPOSED OUTER
CONTINENTAL SHELF MID-ATLANTIC OIL AND GAS LEASE SALE
(OCS SALE #40)**

A draft environmental impact statement (EIS) covering the 154 tracts consisting of 876,750 acres (354,816 hectares) chosen for a proposed oil and gas lease sale (OCS #40) off the Mid-Atlantic coast in the Baltimore Canyon Trough area is available for public review, the Department of the Interior's Bureau of Land Management said today.

The area covered in the statement is located from 54 to 109 miles off the coasts of Delaware and New Jersey in waters from 36 to 173 meters (118 to 571 feet) deep.

After the public has had time to study the document, public hearings will be announced.

Announcement of availability of the draft statement is being published in the Federal Register December 10, 1975. Single copies of the statement are available at BLM's New York OCS Office, 6 World Trade Center, Suite 600-D, New York, New York 10048, and from BLM's Office of Public Affairs, 18th and C Streets, N.W., Washington, D. C. 20240.

Major sections of the impact statement describe the Mid-Atlantic environment and how man uses it. This includes meteorology, physical oceanography, offshore and onshore water and air quality, offshore and nearshore biological communities, coastal vegetation, land and water use, archaeologic and historic resources, and onshore socio-economic characteristics. Also considered in the draft EIS are potential impacts that the proposed OCS petroleum development could have on the Mid-Atlantic area. These include potential effects on the onshore and offshore water and air quality, biological communities, recreational and commercial fishing, ports, shipping and navigation, archaeologic and historic sites, possible future ocean mining, recreation and tourism, population, economics, and the effects weather and physical oceanographic conditions could have on offshore petroleum operations.

Mitigating measures and special lease stipulations which are possible for environmental protection also are listed. Adverse effects and irreversible commitments of resources in the proposed leasing are detailed, and alternatives to the proposed leasing are considered.

Exhibit 2

DEPARTMENT of the INTERIOR

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news release

BUREAU OF LAND MANAGEMENT

For Release December 10, 1975

Robinson (202) 343-5717

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Mitigating measures and special lease stipulations which are possible for environmental protection also are listed. Adverse effects and irreversible commitments of resources in the proposed leasing are detailed, and alternatives to the proposed leasing are considered.

Based on a tentative sale in late spring 1976, the document develops the following timetable:

1. Exploratory drilling could begin within one year from the sale date.
2. Most exploratory drilling could be completed within five to ten years after the sale.
3. Development well drilling could begin within three years of the commencement of exploratory well drilling and continue for 10 to 15 years.
4. Production could begin in 1981, and most platforms could be producing by 1990, about the time of estimated peak production.

The impact statement projects that, if a sale is held, the resulting exploration, development, and production phase could result in 60 to 575 exploratory wells and 200 to 880 producing wells, 5 to 20 exploratory rigs and the same number of development rigs working at one time, 10 to 50 platforms, 100 to 570 miles of offshore pipeline corridor, one to four terminal storage facilities, one to four onshore operations bases, and three to eight gas processing plants with capacities of 300 to 500 million cubic feet daily.

None of the Federal areas of Atlantic offshore waters have been leased for drilling exploration to date. According to the U. S. Geological Survey, daily peak production may be as high as 740 thousand barrels of oil and 4.4 billion cubic feet of natural gas.

The BLM issued a call for nominations and comments in March 1975. This call-and-comment is an invitation to the petroleum industry to nominate tracts it would like to bid on if a sale is held, and to other Federal agencies, State and local governments, private organizations, and the general public to identify specific tracts they believe should not be leased because of possible environmental hazards or resource use conflicts.

From the 6.5 million acres identified in the call, 20 companies nominated 3.2 million acres, and BLM also received five suggestions concerning exclusion of some tracts.

The draft statement reports that factors leading to elimination of certain tracts included commercial fishing activities, potential interference with navigation, potential hazards due to unexploded ordnance, and geologic hazards.

When BLM and the U. S. Geological Survey field offices began to develop recommendations for tentative tract selection, representatives of the Mid-Atlantic Coastal State governments were invited to participate, and were invited again when the headquarters offices met to review the field recommendation for a final recommendation to the Secretary.

Interior's decision to select the 154 tracts for study in the EIS was based on such factors as:

Industry nominations, geological and geophysical data, geologic and physical hazards, current technology, climatology and seasonal weather patterns, physical oceanographic factors, oil spill trajectories, commercial and sport fisheries, marine and intertidal biological communities, onshore biological communities, rare and endangered species, archaeologic and historic sites, onshore and offshore recreation, existing regional petroleum industry facilities, regional socio-economic characteristics, transportation, and air and water quality.

Before and during preparation of the draft statement, Federal agencies were contacted for information and suggestions. Eight Department and independent agencies and 23 bureaus were asked to help review sections as they were prepared.

Between November 1975 and the completion of the document, BLM's New York OCS office contacted Atlantic coastal State agencies, county governments, and regional planning commissions for input. Working versions of the EIS sections were reviewed by these agencies.

The document also lists over 50 other private organizations, educational institutions, professional and technical societies, trade associations, business firms, environmental groups, and research organizations which were contacted for information, verification of data, or other input as the draft statement was being prepared.

None of the steps taken so far constitutes a decision to hold a sale, BLM emphasized. Each is a sequential step in the orderly process of gathering information leading to a decision whether to hold a sale, a process required under NEPA, defined by guidelines established by the President's Council on Environmental Quality (CEQ), and Department regulations.

The testimony of witnesses at public hearings on the draft statement, written comments put into the hearings record, and the views of other Federal and State agencies are considered in the preparation of a final EIS.

This final statement must be submitted to CEQ for 30 days' review. After this 30 days, the Secretary of the Interior is authorized to determine if there will be a sale. If he decides to hold a sale, he will also decide what tracts will be offered in the sale, and what environmental restrictions will be placed on the lessees.

X X X

DEPARTMENT of the INTERIOR**news release**

BUREAU OF LAND MANAGEMENT

For Release December 19, 1975

Robinson (202) 343-5717

**HEARINGS ON DRAFT EIS FOR PROPOSED MID-ATLANTIC
OCS LEASE SALE (OCS #40) ANNOUNCED**

Plans for a public hearing on a draft environmental impact statement (EIS) prepared by the Department of the Interior's Bureau of Land Management for a proposed lease sale of oil and gas (OCS SALE #40) on the Outer Continental Shelf of the Mid-Atlantic Baltimore Canyon Trough were announced today.

The hearing will be held beginning at 9 a.m. on January 27, 1976, in the Grand Ballroom of the Sheraton-Deauville Hotel and Motor Inn, Boardwalk at Brighton, Atlantic City, New Jersey 08401, and will continue through January 30 if necessary.

BLM announced availability of the draft statement in the Federal Register on December 10, 1975.

The proposed OCS lease sale of 154 tracts covering 876,750 acres (354,816 hectares) covered in the draft statement is off the coasts of New Jersey and Delaware and is tentatively scheduled for May 1976.

Hearings are part of the information gathering process designed to provide Secretary of the Interior Thomas S. Kleppe with additional information from both the public and private sectors to help him fully evaluate the potential effects of the proposed sale on the total environment, marine resources, recreation, economic, and other resources in the entire area during the exploration, development, and operation phases of this proposed leasing action.

Single copies of the draft EIS are still available at BLM's New York OCS Office, 6 World Trade Center, Suite 600 D, New York, New York 10048, and from BLM's Office of Public Affairs (130), 18th and C Streets, N.W., Washington, D.C. 20240.

Interested individuals, representatives of organizations, and public officials wishing to testify at the hearing are requested to contact the Manager, New York OCS Office at address given above by 4:45 p.m., January 19, 1976.

(more)

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Written comments from those unable to attend the hearing also should be sent to the same address by February 12, 1976. This date was established to provide time for those unable to testify at the hearing to make their views known, and for the submission of supplemental materials by those presenting oral testimony.

Time limitations make it necessary to limit the length of the oral presentations to ten minutes. An oral statement may be supplemented, however, by a more complete written statement which may be submitted to the hearing officer at the time of presentation of the oral statement.

Written statements presented in person at the hearing will be considered for inclusion in the hearing record. To the extent that time is available after presentation of oral statements by those who have given advance notice, the hearing officer will give others present an opportunity to be heard.

Interior officials said that testimony will be reflected in a final environmental impact statement, and this final statement also will be submitted to the President's Council on Environmental Quality (CEQ).

The Secretary cannot make any determination whether a lease sale should actually be held until after the above steps and an additional 30 days have passed.

These steps, beginning with a call for nominations from industry concerning what tracts they would like to bid on, and a request for comments from the public concerning what tracts should not be offered because of environmental risk, are part of the orderly process which Interior and BLM follow in considering whether to offer any proposed OCS leases.

DEPARTMENT of the INTERIOR

news release

BUREAU OF LAND MANAGEMENT

For Release June 17, 1975

Robinson (202)343-5717

NOMINATIONS AND COMMENTS SOUGHT FOR PROPOSED OIL AND GAS LEASE SALE ON NORTH ATLANTIC OUTER CONTINENTAL SHELF (SALE #42)

The Department of the Interior today took the first step involving the general public in a series of actions to determine if another new or frontier Outer Continental Shelf area shall be offered for the sale of oil and gas leases.

Interior, through its Bureau of Land Management, asked for information bearing on which tracts in the North Atlantic might be offered for leasing in a sale (OCS #42) proposed for August, 1976.

In a Federal Register Notice being published June 17, BLM is asking the petroleum industry to nominate North Atlantic tracts that it would like to see offered for lease sale because of the crude oil and natural gas potential.

In addition, State governments and the general public were asked to identify tracts that should not be offered for lease sale because of conflicting resource values, such as fishery potential or unique environmental conditions.

The North Atlantic OCS area being considered for lease sale is a subsea basin which the U.S. Geological Survey refers to as the Georges Bank Trough. The area is approximately 270 miles long by 90 miles wide with its center about 110 miles southeast of Cape Cod. The area is at no point closer than 20 miles from the shoreline with the closest point being southeast from Nantucket Island.

The Georges Bank Trough is offshore the States of Rhode Island, Massachusetts, New Hampshire, and Maine. The total area in the call for nominations and comments covers some 15.8 million acres, an area about three-fourths the size of the State of Maine.

International boundary negotiations between the U.S. and Canada involve approximately the northeastern quarter of the area of this call for nominations and comments. Any future announcement or offering of tracts in the area involved in negotiation may be affected by the negotiations.

The North Atlantic area is described on OCS official Protraction Diagrams (maps) NK 19-6, NK 19-8, NK 19-9, NK 19-10, NK 19-11, NK 19-12, NK 20-4 and NK 20-7. Maps NK 19-6, NK 19-9, NK 19-12, NK 20-4 and NK 20-7 are new maps, the publication and availability of which are announced at this time. The other three maps have been available for several months.

(more)

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These maps may be purchased for \$2.00 each from the Environmental Assessment Team Leader, Atlantic OCS Office, Bureau of Land Management, U.S. Customs House (Suite 600 D), 6 World Trade Center, New York, New York 10048.

Nominations and comments should be submitted not later than August 18, 1975, in envelopes labeled "Nominations of Tracts for Leasing on the Outer Continental Shelf - North Atlantic" or "Comments on Leasing on the Outer Continental Shelf - North Atlantic," as appropriate. They must be submitted to the Director, Bureau of Land Management, Attention: 720, Department of the Interior, Washington, D.C. 20240. Copies must be sent to the Conservation Manager, Geological Survey, Eastern Region, suite 316, 1825 K Street, N.W., Washington, D.C. 20006 and to the Environmental Assessment Team Leader, Atlantic Outer Continental Shelf Office, Bureau of Land Management at his address cited above.

This request for nominations and comments solicits particular geological, environmental, biological, archaeological, socio-economic, or other information which might bear upon potential leasing and development within the particular area named.

Comments are sought from Federal, State, and local governments, industry, universities, research institutes, environmental organizations, and members of the general public. The Department specifically would like to be informed if certain tracts within that area should not be offered for lease because of environmental or conflicting resource considerations and the reasons for these recommendations.

The call for nominations and comments is part of the orderly and sequential steps in the process of a proposed lease sale which conforms with the National Environmental Policy Act of 1969 (NEPA), guidelines issued by the President's Council on Environmental Quality (CEQ), and Interior regulations.

None of these steps constitutes an actual decision to hold an OCS oil and gas lease sale.

Nominations by industry and comments from the public give the Federal Government the basis for determining the next step, tentative tract selection. After the tentative tract selection is announced, a draft environmental impact statement (EIS) dealing with the specific tracts tentatively selected is published.

Public hearings are held and comments received on the draft EIS, and the results of those hearings and comments are reflected in a final EIS. Thirty days after the final EIS has been submitted to the President's Council on Environmental Quality (CEQ), the Secretary of the Interior is empowered to decide whether or not to lease and, if leasing is to occur, the size of the lease offering.

The interval between the call for nominations and comments and the actual decision on whether to hold a sale is generally about 12 to 18 months.

At the same time, BLM's baseline environmental studies program of the North Atlantic waters and possible impacts on coastal State shorelines is going forward.

Offshore oil and gas lease sales are being accelerated as a part of the Federal Government's effort to achieve greater energy self-sufficiency. The available geologic evidence indicates that the frontier OCS areas hold the most promise for making additional large discoveries of oil and gas.

The frontier OCS areas include areas offshore the Atlantic Seaboard States, certain areas offshore California, and Alaskan offshore waters.

In an effort to increase the amount of OCS leasing, BLM has published a draft environmental impact statement on the total frontier area acceleration proposal, and Interior has held public hearings to provide public input. A final EIS on the proposed frontier area acceleration is expected this month.

This draft statement and these hearings, however, are a broad study of a proposed policy decision to expand nationwide frontier OCS leasing, not site-specific statements. Under the provisions of NEPA, guidelines issued by CEQ, and Interior regulations, each proposed sale also is subjected to the same sequential step process of environmental review, impact statement, and hearings before a sale decision is made.

A map showing the North Atlantic OCS areas under consideration for leasing is attached.

x x x

2218

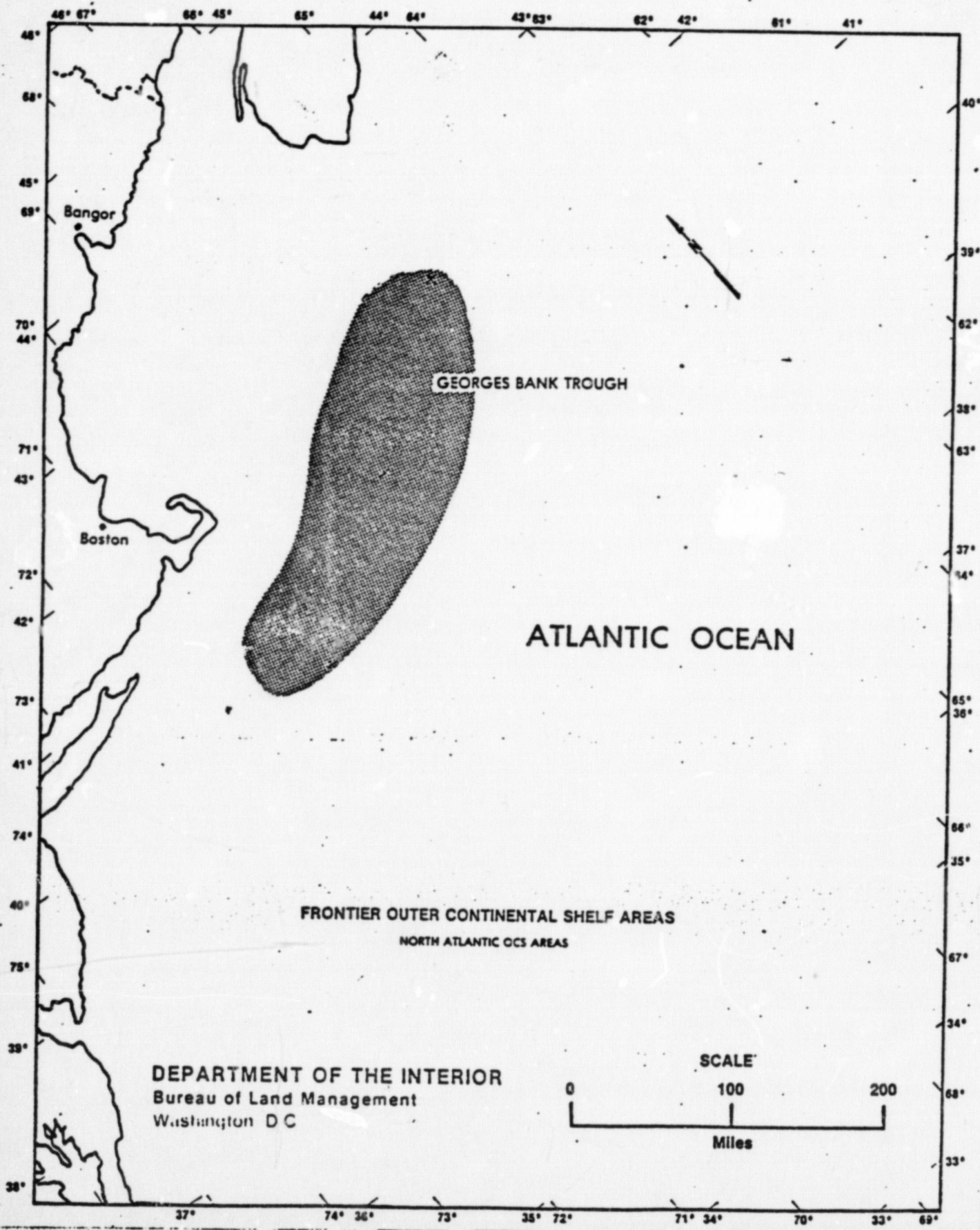


Exhibit 5

2219

DEPARTMENT of the INTERIOR

news release

BUREAU OF LAND MANAGEMENT

Robinson (202) 343-5717

For Immediate Release August 29, 1975

EIGHTEEN OIL COMPANIES NOMINATE 10.9 MILLION ACRES FOR LEASE SALE IN GEORGES BANK TROUGH, NORTH ATLANTIC

Eighteen oil companies have nominated 1,927 tracts totaling 10.9 million acres they would like to bid on if a proposed August 1976 outer continental shelf oil and gas lease sale (OCS #42) is held, the Department of the Interior's Bureau of Land Management announced today.

In addition to the industry nominations, five Coastal States, commercial fishing interests, and citizen planning groups also responded to the Federal invitation to pinpoint specific areas which they believe should not be leased because of environmental or resource use conflicts.

None of the tracts nominated is closer than 24 miles from the shore, and most were about 100 miles. The submerged lands area nominated is 75 miles wide and 180 miles long. The Georges Bank Trough area is off the coasts of the states of Rhode Island, Massachusetts, New Hampshire, and Maine.

The companies submitting nominations are: Tenneco Oil, Conoco, Jerome D. Schwartz, Houston Oil and Minerals Corp., Atlantic Richfield Co., Amoco Production Co., Chevron Oil Co., Cities Service Oil Co., Exxon Co., Getty Oil Co., Marathon Oil Co., Mobil Oil Corp., Phillips Petroleum Co., Shell Oil Co., Skelly Oil Co., Sun Oil Co., Louisiana Land and Exploration Co., and Texas Eastern Exploration Co.

Highest interest shown by the industry through the nominating process was in an area in the southeast portion of the Georges Bank Trough, seaward from the States of Massachusetts and Rhode Island.

BLM said the area where the states, fishing industry, and citizen group planners felt there should be no leasing, or leasing only with stringent environmental lease restrictions in the event of a sale, were generally spread throughout the tracts covering 15.8 million acres which were open for nominations.

The companies and the other groups were responding to an invitation issued by BLM on June 17, 1975, to launch the first step in the public participation process of Federal OCS decision making.

A BLM Minerals Management spokesman said the industry nominations and negative nominations were "a healthy response to this request for public participation."

The 18 companies compared to 20 companies and about the same number of negative comments reported in June for the proposed OCS Sale #40 in the Mid-Atlantic Baltimore Canyon Trough tentatively scheduled for May 1976.

(more)

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As in the Mid-Atlantic Baltimore Canyon Trough, the Atlantic Offshore Fish and Lobster Association of Narragansett, R.I., emphasized the commercial fisheries value of specific portions of the outer continental shelf.

The Association's Executive Secretary, Richard B. Allen, also highlighted a further importance of the Georges Bank fisheries area as "a major spawning area for many of our most important fish stocks. This fact is recognized in the establishment of two protected spawning areas designated by the International Commission for the Northwest Atlantic Fisheries."

While favoring offshore petroleum development if conducted "in a manner least harmful to the fisheries," Allen singled out specific areas where any offshore petroleum activity would be harmful to the commercial fishing industry.

Also responding with comment were the Executive Office of Environmental Affairs of the Commonwealth of Massachusetts, the Nantucket Planning and Economic Development Commission, the Massachusetts Forest and Park Association, and the Marine Environmental Council of Long Island.

The Massachusetts Environmental Affairs group expressed concern for potential harmful effects to the fishing and tourism industries if a petroleum development is permitted in the Georges Bank Trough.

The Nantucket Planning and Economic Development Commission, pointing out the Massachusetts' coastline dependence on tourism and both sport and commercial fishing, expressed apprehension over the potential onshore impacts of petroleum development, particularly of oil spills.

The Massachusetts Forest and Park Association recommended no leasing in specific areas seaward of the State coastline based on "their unique economic and environmental values."

The Marine Environmental Council of Long Island recommended delay in leasing until the full impact of hydrocarbons upon human health can be determined.

Earlier, the Governors of Maine, Vermont, Massachusetts, Connecticut, and Rhode Island in a telegram to Acting Secretary of the Interior Kent Frizzell had requested a six-month extension of the deadline for submitting negative comment on the Georges Bank OCS.

The five State Governors based their request on the need for a study of fish populations off Georges Bank being completed by the University of Rhode Island. In its written response, the Department pointed out that the Governors could submit important environmental information at any time. Interior also said that the Governors could testify at public hearings scheduled for next March on the result of the study they expect to have completed in February.

The call for nominations and comment in an offshore area proposed for an oil and gas lease sale is only the first step in Interior's information gathering process, and does not constitute a decision to hold a sale. No sale decision can be made until all the requirements of the National Environmental Policy Act are complied with.

BLM's Minerals Management emphasized that the results of the call for nominations and comment enable the Bureau to identify precise areas which will be studied for tentative tract selection recommendations to the Department.

After tentative tract selection is announced, a multi-disciplinary team of scientists and environmental specialists assigned to the Bureau's Atlantic OCS office will prepare a draft environmental impact statement.

Public hearings are held on this statement, and the testimony of hearing witnesses and other written submissions to the hearing record are reflected in a final statement, which must be submitted to the President's Council on Environmental Quality for 30 days. Only after these steps and this final 30 day period is the Secretary of the Interior authorized to make a decision.

He is authorized to decide whether to hold a sale, how much acreage should be offered in a sale, and what environmental restrictions should be written into the operating orders for future petroleum development. If a sale is decided upon, the sale normally follows in 30 days.

Outer continental shelf leasing in frontier areas is being pursued by the Federal government in a effort to achieve greater energy self-sufficiency for the Nation.

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and the valves."

Exhibit 6

DEPARTMENT of the INTERIOR

2222

news release

BUREAU OF LAND MANAGEMENT

For Release January 2, 1976

Robinson (202) 343-5717

NORTH ATLANTIC OCS TRACT SELECTION ANNOUNCED FOR PROPOSED OIL AND GAS LEASE SALE #42

A list of 206 tracts totaling 1,172,796 acres (474,624 hectares) has been selected for intensive study in a draft environmental impact statement to be prepared for a proposed sale (OCS #42) of oil and gas leases on the North Atlantic Outer Continental Shelf.

The Department of the Interior's Bureau of Land Management said that the tracts selected for a sale tentatively scheduled for August 1976 lie in waters about 50 miles to 200 miles offshore from Nantucket Island, Massachusetts. Water depth in the tract area varies from 15 to 200 meters (45 to 600 feet).

Representatives from the states of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, and New York were invited to participate in three meetings between August 29 and November 7, 1975, with BLM and the U.S. Geological Survey which were held to prepare recommendations to Interior for tract selection on the OCS area which is also known as the Georges Bank Trough.

On June 17, 1975, BLM asked the petroleum industry to nominate tracts in an area covering 15.8 million acres on which it would like to bid for oil and gas leases if a sale is held, and also asked other Federal agencies, State and local governments, organizations, and the general public where they felt leasing should not be permitted because of environmental or resource use conflicts.

Nineteen sets of nominations were received and a total of 1,927 tracts covering 10.9 million acres were nominated. However, many of these tracts received only one nomination. Five comments were submitted which recommended that specific tracts should not be leased, or should be leased only if certain special conditions are imposed upon the lessees.

Announcement of the tracts to be studied does not constitute a decision to hold an OCS sale. Before a decision can be made, all of the steps in compliance with the National Environmental Policy Act must be followed as defined by guidelines from the President's Council on Environmental Quality (CEQ) and Interior Department regulations and guidelines.

Public hearings must be held on the draft impact statement. The testimony and the comments submitted in writing on the statement are used as the basis for a final environmental impact statement.

(more)

Thirty days after the final statement has been submitted to CEQ, Secretary of the Interior Thomas S. Kleppe may decide whether there shall be a sale, what areas shall be offered if a sale is to be held, and what lease requirements should be included in the leases to protect the environment. If a decision is made to hold the sale, it will be scheduled to take place at least 30 days after notification is published in the Federal Register.

A map showing the tract areas selected is attached. The tentative tract list may be obtained from the Manager, New York OCS Office, Six World Trade Center, Suite 600-D, New York, New York 10048, or from the Director (720), Bureau of Land Management, Washington, D.C. 20240.

x x x

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
FRONTIER OUTER CONTINENTAL SHELF AREAS
NORTH ATLANTIC OCS REGION

GEORGES BANK TROUGH

Proposed OCS Sale 42

-  Call for Nomination Area
 Tract Selection

SCALE
0 10 20 30 40 50
Miles

Boston *

LONG ISLAND



44°

43°

42°

41°

40°

73°

72°

71°

70°

69°

68°

67°

66°

2224

Exhibit 7

2225

Department of the Interior
DEPARTMENTAL MANUAL

Departmental Management

Major Program Issues
Part 301 and Decisions

Chapter 1 Program Decision Option Documents

301.1.1

.1 Purpose. 516 DM 2.1 through 516 DM 2.9 sets forth the procedures and content for the development and review of environmental statements in compliance with the National Environmental Policy Act of 1969. Since such statements are limited to the environmental aspects of proposed Federal actions, they generally do not contain related policy, program, economic or other significant non-environmental information which may be of major importance to the responsible official in his review and decision processes. These procedures are designed to ensure timely and systematic consideration of all environmental, program, economic, social, and other aspects of critical decisions.

.2 Policy. All facets of major issues affecting the environment shall be assessed simultaneously so that decisions may consider impacts on man's physical environment in the context of impacts on his social and economic environment and on departmental programs and budgets. Decision option documents will be prepared during the period of time that the draft environmental statement is on the table for review. It will be completed and submitted to the Secretary, preferably before the final environmental statement is transmitted to the Council on Environmental Quality.

.3 Scope. Each final environmental impact statement which involves a major program decision will be accompanied by an appropriate separate program decision option document which will set forth all of the significant non-environmental factors which need to be considered in the various review, approval, and decision processes relative to the proposed Federal actions. Decision option documents normally will be required when (1) the environmental impact statement involves a major new Federal policy or action which commits the Department to a major program and (2) the Secretary is reacting to an application for a permit, license, land use, etc. which involves a potential major conflict between environmental and other considerations. In those instances where adequate analysis and documentation already exist, such information may be used in meeting decision option document needs.

.4 Responsibilities

A. The Assistant Secretaries

(1) Shall recommend to the Assistant Secretary - Program Policy, at the time a bureau or office head and/or program Assistant Secretary submits a draft environmental statement to the Assistant Secretary - Program Policy for review, the extent to which separate supporting program analysis and decision option documents will be required. Where there is question as to the need for such information, Assistant Secretaries will consult with the Assistant Secretary - Program Policy. The Assistant Secretary - Program Policy, in conjunction with the responsible program Assistant Secretary, will determine the nature and extent of such need and the appropriate development of separate decision option documents.

6/9/72 (Release No. 1451)
NFW

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Department of the Interior
DEPARTMENTAL MANUAL

Departmental Management

Major Program Issues
Part 301 and Decisions

Chapter 1 Program Decision Option Documents

301.1.4A(2)

(2) Shall review and approve all decision option documents prepared by bureaus and offices under their jurisdiction before they are forwarded to the Assistant Secretary - Program Policy.

B. The Assistant Secretary - Program Policy

(1) Shall, in cooperation with the responsible program Assistant Secretary, determine the need for a program decision option document and the responsibility for its preparation, and participate in the development, review, and presentation of such information.

(2) Shall, as he may deem appropriate, assign one or more members of his staff to coordinate, participate in, lead, or be responsible for the development and/or evaluation of such documents.

(3) Shall, if appropriate, establish or approve task forces composed of representatives of other Federal agencies, State and local agencies, Secretarial offices, bureaus and offices, to perform special studies, analyses, alternative evaluations, etc., and prepare position papers, option papers, or other decision material as may be needed to adequately present related policy, program, economic, or other decision information.

(4) Shall, in parallel with the review and endorsement procedures for final environmental impact statements as prescribed in 516.2.4(3), review and evaluate the adequacy of all supporting decision option documents and prepare such additional briefing, option, position or other material as is required for the review and decision process.

(5) Shall ensure that the Solicitor, the Legislative Counsel, the Director of Communications, and the Assistant Secretary - Management and Budget are current and adequately advised as to any program decision material or actions that may involve the respective responsibilities of those offices.

(6) Shall keep the program Assistant Secretaries and the heads of bureaus and offices currently advised as to the nature and status of actions which may directly or indirectly affect the programs or operations of the various program areas involved.

C. Officials Responsible for Preparing Program Decision Option Documents

(1) Shall prepare such documents in accordance with such guidelines and instructions as may be agreed upon by the Assistant Secretary - Program Policy, Assistant Secretaries, and/or heads of bureaus and offices.

(2) Shall obtain the information necessary for the preparation of decision option documents and shall conduct such study, analysis, evaluation, etc.

6/9/72 (Release No. 1451)

NEW

Department of the Interior
DEPARTMENTAL MANUAL

2227

Departmental Management

Major Program Issues
Part 301 and Decisions

Chapter 1 Program Decision Option Documents

301.1.4C(3)

(3) Shall consult with appropriate bureaus and offices, other Federal agencies, and with other sources of special expertise not available within the Department as may be necessary for a comprehensive evaluation.

(4) Shall coordinate the development of such material with the related environmental impact statement to assure consistency, adequacy and timely completion and presentation of the related decision option documents.

(5) Shall transmit, through his program Assistant Secretary, the decision option documents to the Assistant Secretary - Program Policy for his review and appropriate action.

.5 Content of Supporting Decision Option Documents. No standard format is prescribed as the nature of the issue addressed in each environmental impact statement will determine the content and form of the related decision option document--which may well be unique. Depending upon that issue, the supporting decision option document may have to address economic, political, or social values, implications for or alternatives to policy or political, economic, or social institutions, or implications for programs or budgets. Upon recommendation of such need by the Assistant Secretaries, heads of bureaus or offices, or from sources within the Office of the Secretary, the Assistant Secretary - Program Policy will arrange for consultations to develop the approaches and responsibilities appropriate to the particular program decision.

Exhibit 8 2228

Department of the Interior
DEPARTMENTAL MANUAL
Part 516 National Environmental
Policy Act of 1969
Environmental Quality

Chapter 2 Statement of Environmental Impact 516.2.8C(6)

(6) A local public meeting place, such as a County courthouse or public library, in the immediate vicinity of the proposed action, where appropriate.

.F A complete record of any hearings, draft and final environmental statements, and all comments received related thereto, all be made available for public inspection at the following locations:

- (1) The Bureau or Office headquarters.
- (2) The Bureau regional and/or field office with primary involvement.

.E Whenever possible copies of draft and final environmental statements, including required attachments, shall be made available to the public at no cost. In those cases where the cost of reproduction of such statements is substantial, the public may be charged a fee no greater than the incremental costs of reproduction (43 CFR 2.3).

.F Notices of availability of draft and final environmental statements will be made in the Federal Register at the time of transmittal of the statement to CEQ. Formats are provided in Appendix E.

.9 Procedures for Preparing and Processing Environmental Statements.

.A General Procedures

(1) Program and project recommendations and decisions are based on various technical, economic, social and environmental factors. These factors are generally incorporated into a program justification or plan formulation document. Environmental statements are separate documents which analyze the salient environmental information in order to provide decision makers with comprehensive and concise, factual information concerning the environmental impacts of the proposed action and related alternatives. Accordingly, environmental statements shall not be used to recommend or justify proposed actions.

9/27/71 (Release No. 1341)
Replaces 9/17/70 (Release No. 1222)

1 seek the views of the Department of Justice and the Federal Trade Commission
2 on the PDOD with respect to possible anti-competitive practices of major oil
3 companies and other antitrust issues. A copy of this PDOD was filed with the
4 court by defendants on October 14, 1975.

5 31. The Department does not now and never has considered the PDOD
6 prepared in connection with Interior Department proposed actions a part of the
7 NEPA process. The position of the Department is set forth below.

8 32. The PDOD is used in the deliberative process within the
9 Department and covers matters outside the purview of an EIS. The purpose to
10 be served by the PDOD has been described in the Departmental Manual of the
11 Department of the Interior. (See Exhibit No. 7) Economic and technical aspects
12 as well as environmental aspects of a proposal are presented. It involves
13 advisory and recommendatory material in the broad sense. The PDOD discusses
14 the various options open to the Secretary in making a decision and alternatives
15 to the proposal. The discussions of potential environmental impacts and
16 alternatives include summaries of material already made available to the public
17 in the final EIS. The Department has never circulated PDODs for public comment
18 prior to making a decision on a proposal.

19 33. The Department has conducted 13 OCS oil and gas lease sales
20 since the effective date of NEPA (January 1, 1970). Final EISs were prepared
21 for each of these sales. PDODs were also prepared for Secretarial considera-
22 tion and evaluation in arriving at a decision on these sales. In not one of
23 these cases did the Department circulate the PDOD for public review and
24 comment as part of the EIS process.

25 34. It has been the Department's longstanding policy to avoid
26 converting EISs into program justification statements. This policy has been
27 enunciated in the Departmental Manual. (See Exhibit No. 8) Thus, the
28 Department does not attempt in its EISs an elaborate justification for
29 adopting the proposal.

30 35. The Department does provide a discussion of the reasons for
31 and goals of a proposal. This, we believe, is in keeping with the approach
32 suggested by CEQ. The CEQ Guidelines state that the EIS should contain an

Exhibit 9-A

NOTICE
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

OUTER CONTINENTAL SHELF
POTENTIAL OIL AND GAS LEASING

Status of Proposed Program to Accelerate Outer
Continental Shelf (OCS) Oil and Gas Leasing Nationwide

The Department of the Interior has prepared a final environmental impact statement (FEIS) for the proposed program to accelerate OCS oil and gas leasing nationwide. This statement was submitted to the Council on Environmental Quality and made available to Federal, State, and local agencies and interested members of the public on July 11, 1975. In a news release of the same date, the Department announced that it was providing a 60-day public review and comment period on this FEIS. The Interior announcement stated that no decision would be made regarding the proposal covered by the FEIS during the 60-day period. The review and comment period ended on September 9, 1975.

At the present time, the Bureau of Land Management is evaluating the comments received on the FEIS from Federal, State, and local agencies and interested members of the public. Departmental staff is also preparing a program decision option document (PDOD) for the proposal. This document will be a part of the deliberative process within the Department and will describe and discuss the various options open to the Secretary in arriving at a decision on the proposal and alternatives to the proposal. When completed, these documents will be submitted to the Acting Secretary for his consideration and evaluation in conjunction with the OCS programmatic FEIS.

Although the FEIS description of the proposal and the procedures being followed by Interior in considering it did not state that the public would have an opportunity to review the PDOD, a response by Departmental staff to one of the comments received by the Department inadvertently indicated that the public would have that opportunity. (Vol. 2, p. 1033). The Department of the Interior advises that it does not propose to make the PDOD available for comment by the public. This is in keeping with the Department's traditional procedures regarding decision making on Interior proposals.

No decision has been made as yet by the Acting Secretary as to whether or not to adopt the proposal to accelerate OCS oil and gas leasing nationwide and, if so, in what manner to carry out such acceleration. A decision on the proposal is expected shortly.

Rayston C. Hughes
Rayston C. Hughes
Assistant Secretary of the Interior

SEP 25 1975



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FILE COPY
Surname:

2232

August 1, 1975

Memorandum

To: Assistant Secretary--Energy and Minerals
Assistant Secretary--Program Development and Budget
Assistant Secretary--Land and Water Resources
Solicitor
Director, Geological Survey
Director, Bureau of Land Management

From: Director, Office of OCS Program Coordination

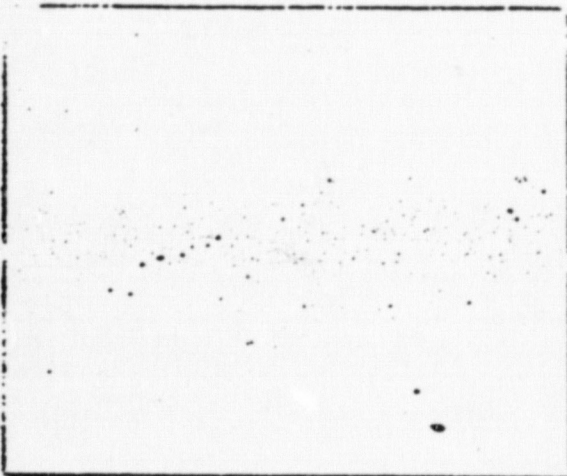
Subject: Draft Programmatic PDOD

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Attached is a draft Program Decision Options Document regarding the proposed accelerated OCS leasing program. Please submit any comments you may have to this office by August 8, 1975.

(Sgd) Darius W. Gaskins, Jr.
Darius W. Gaskins, Jr.

Attachment



COPY FOR THE SECRETARY'S OFFICE

Exhibit 9-C

United States Department of the Interior

2233

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 13 1975

Memorandum

To: Assistant Secretary--Congressional and Legislative Affairs
Assistant Secretary--Energy and Minerals
Assistant Secretary--Fish and Wildlife and Parks
Assistant Secretary--Land and Water Resources
Assistant Secretary--Management
Solicitor
Director, Geological Survey
Director, Fish and Wildlife Service
Director, National Park Service
Director, Bureau of Land Management

From: Assistant Secretary--Program Development and Budget

Subject: Decision Meeting on the Proposal to Accelerate Oil and Gas
Leasing on the Outer Continental Shelf (OCS)

On September 25 a decision will be made on the proposal to accelerate oil and gas leasing on the OCS. Attached are the Program Decision Option Document (PDOD) and Decision Memorandum. These documents and the final EIS will be forwarded on September 24 to the Acting Secretary for decision. Your written views on the issues should be in my office by c.o.b. September 23 so they can be attached to the decision memorandum.

Decision on the proposal to accelerate oil and gas leasing on the OCS

Rayston C. Hughes
Rayston C. Hughes

Attachments

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Exhibit 10

United States Department of the Interior

2234

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Memorandum

26 SEP 1975

To: Acting Secretary

From: Assistant Secretary--Program Development and Budget

Subject: Program Decision Option Document (PDOD) on Proposed Program to Accelerate Leasing on the Outer Continental Shelf (OCS)

Your decision is sought on the proposed program to accelerate Outer Continental Shelf (OCS) oil and gas leasing by the Federal government in calendar year 1975 and succeeding years. This acceleration would occur nationwide according to a revised proposed OCS planning schedule of six proposed lease sales for 1975 and six proposed lease sales per year for the period 1976-1978, including some or all frontier areas by the end of 1978. Attached are a program decision option document, the revised proposed OCS planning schedule, and the final programmatic environmental impact statement.

BACKGROUND

I. Insecure and Expensive Oil Imports

Domestic production of petroleum peaked in 1972 at a rate of 11.2 million barrels per day (mbd). Production declined to 10.5 mbd in 1974. Petroleum consumption, on the other hand, has continued to increase, and imports have risen from 4.5 mbd in 1972 to 6.0 mbd in 1974.

During the 1973 Mideast war, the Arab oil producers imposed an embargo on shipments of oil to the U.S. and certain other countries. This occurrence demonstrated the vulnerability of the U.S. to interruptions in imported petroleum supply. According to FEA estimates, the embargo cost \$16-\$33 billion (1974 dollars) in terms of GNP loss alone.

During and after the Arab oil embargo, the OPEC cartel rapidly raised the price of oil. World prices rose as high as \$20 per barrel at one time. Lately prices have stabilized at \$11-\$12 per barrel, and are supported at that level through production cutbacks among the cartel members. Even at this level, however, imported oil costs the U.S. \$25 billion per year.

The proposed action to accelerate OCS leasing could result in increased oil production of 3 billion barrels per day, and increased natural gas production of 12 billion cubic feet per day by 1985. These amounts are about 20 percent of current consumption rates of oil and natural gas.

Increased OCS production of oil and natural gas would reduce our dependence on foreign oil imports, which are more costly than OCS production, and which are insecure sources of supply. The economic benefits from the proposed action thus include the cost savings over imported oil and the benefits of relying on a secure source of supply for a greater proportion of oil consumption.

II. Environmental Impacts

If a decision is made to proceed with accelerated leasing and if subsequent decisions to hold lease sales are made, there will be unavoidable impacts on the environment. These impacts are summarized as follows:

1. Marine Organisms - Marine organisms which are affected from oil and other effluent discharges range from phytoplankton (vegetation) to sea birds and marine mammals. There is little evidence that lasting damage to species populations will occur, but temporary damage will have an affect. The greatest risks are to bird populations, many of which are threatened or endangered.
2. Wetlands and Beaches - Wetlands and beaches will be disturbed by the laying of pipelines and by any accidental oil spills which may reach shore.
3. Air Quality Deterioration - Little air quality deterioration should occur except in the case of an accident such as a fire or an oil spill. This would result in release to the atmosphere of sulfur compounds, smog creating hydrocarbons, and carbon compounds.
4. Interference with Commercial Fishing - Interference would arise from the physical presence of drilling rigs and production platforms and from associated underwater obstructions. In addition, accidental oil spills could contaminate commercial fish species making them unmarketable.
5. Interference with Ship Navigation - As long as ships utilize established fairways, very little interference with navigation should result from oil and gas operations.
6. Damage to Historical and Archeological Sites - If such sites are not detected by required geophysical surveys, they could be damaged by oil and gas operations. In addition, spilled oil could contaminate archeological sites.
7. Degradation of Aesthetic Values - Oil and gas operations could affect aesthetic values due to the visibility of rigs and platforms, noise from operations, or odor from refineries and treatment plants.

8. Socioeconomic Impacts - These are the impacts on coastal economies and populations of offshore oil development. Generally, these impacts would not appear to be particularly significant in regions which are already industrially developed and heavily populated, such as the Middle Atlantic region. On the other hand, for an area such as Alaska, the onshore impacts of offshore oil development will be very noticeable.

The most significant impacts of oil and gas operations would probably result from accidental oil spills. The following table provides a rough idea of the level of expected oil spillage for the OCS areas.

A. High Expected Spills (20,000-50,000 bbl/yr.)

1. Chukchi
2. Beaufort Sea
3. Bering Sea
4. Central and Western Gulf of Mexico, shallow and deep

B. Moderately High Expected Spills (12,000-20,000 bbl/yr.)

1. Southern California, shallow and deep
2. Gulf of Alaska
3. Santa Barbara, shallow and deep

C. Moderate Expected Spills (3,000-12,000 bbl/yr.)

1. Cook Inlet
2. Mafila, shallow and deep
3. Bristol Bay
4. Mid-Atlantic
5. North Atlantic

D. Low Expected Spills (0-3,000 bbl/yr.)

1. Northern and Central California
2. South Atlantic
3. Aluetian Shelf
4. Washington and Oregon

The attached Table (Table 122 reproduced from the EIS) provides information regarding wildlife resources, unique and highly productive areas, fishery resources and aesthetic and recreational resources for each OCS area. The Table is largely self-explanatory. It should be used in conjunction with the expected spill information above to judge the relative significance of environmental impacts of oil spills in each of the OCS areas.

OPTIONS

Option 1: Accelerate Oil and Gas Leasing on the OCS According to the Proposed OCS Planning Schedule.

Under this option the Department of the Interior would proceed to propose

2237

six sales for 1975 and six sales per year for the period 1976-1978 according to the attached OCS planning schedule. EIS's would be prepared on each sale and any or all of the sales could be modified or withdrawn by the Secretary.

Option 2: Accelerated Oil and Gas Leasing from OCS Areas in an Order Different from that Indicated in the Proposed Schedule.

The leasing order in the proposed schedule primarily reflects the likelihood that each area will make a significant contribution to our domestic energy supply. Two alternative orderings are suggested in the EIS. These are an ordering to save the environmentally worst areas for last, and an ordering to promote learning about hazards from initial experiences in the frontier areas. Adopting one or the other of these alternative orderings would probably not have significantly different environmental impacts from the proposed schedule. This is because the OCS planning schedule will propose sales in all prospective areas in a relatively short time (within 3 to 4 years). As a result, it is unlikely, though not impossible, that environmental information or technology will change to such a degree that the decision process would result in a different decision to lease or not lease whether the decision were made in 1975 or in 1978.

Option 3: Do Not Adopt an Accelerated OCS Leasing Schedule.

Under this option the Secretary would chose not to accelerate OCS leasing at this time. Any environmental impacts from the accelerated program would be avoided. This option implies that the oil and gas contribution of accelerated leasing would be replaced by increased imports, alternative energy sources or mandatory conservation measures (or some combination of these substitutes).

The implications of each of these alternatives to accelerated leasing are as follows:

Imports - Imports are considerably more costly than OCS produced oil. The costs of imports are currently \$11-\$12 per barrel. The real resource costs of OCS produced oil range from \$1-\$7 per barrel. In addition, for every 100,000 barrels of oil imported by tankers, 16 barrels would be spilled as compared to 9 barrels per 100,000 barrels produced on the OCS.

Alternative Energy Sources - Generally, OCS energy has lower total (production and environmental) costs than any significant non-OCS energy source.

Mandatory Conservation Measures - Mandatory conservation measures could be undertaken as a substitute for OCS produced oil. It is difficult to determine if these measures would be successful. Moreover, reducing imports by mandatory conservation measures has greater social costs, barrel for barrel, than increases in OCS production.

Departmental Views

Departmental comments were received covering the wide range of issues discussed in the PDOD. Departmental views on the central issue of whether to proceed with an accelerated leasing program are summarized below. A complete text of all departmental comments are attached to this decision memorandum.

Land and Water Resources

The Assistant Secretary for Land and Water Resources recommends Option I, accelerate oil and gas leasing on the OCS according to the proposed OCS planning schedule.

Fish, Wildlife and Parks

The Assistant Secretary for Fish, Wildlife and Parks recommends Option II, adopt alternative leasing schedule. Fish, Wildlife and Parks chooses Option II as an interim measure with the hope that the Department ultimately will seek to develop a two-stage leasing system (i.e. separation of exploration from development) as rapidly as possible, while reordering the present accelerated leasing schedule.

Energy and Minerals

The Assistant Secretary for Energy and Minerals recommends Option I, accelerate oil and gas leasing in the OCS according to the Proposed OCS Planning Schedule. In addition, Energy and Minerals states that Option II poses no real problem, but it offers no apparent improvement over the proposed schedule.

Bureau of Land Management

The Director of the Bureau of Land Management recommends Option I, adopt accelerated leasing program as proposed.

Geological Survey

No comment on the options presented in the decision memorandum.

Solicitor

No comment on the options presented in the decision memorandum.

Program Development and Budget

The Assistant Secretary for Program Development and Budget recommends Option I, adopt proposed accelerated lease schedule because it represents the best public policy alternative at this time, in view of our national energy requirements.

Rayston C. Hughes
Rayston C. Hughes

2239

DECISION:Option 1 (adopt proposed schedule) Ken E. J. 200

Option 2 (adopt altered schedule) _____

Option 3 (do not accelerate leasing) _____

Option 4 (other) _____

The Director of the Bureau of Land Management recommends Option 1, adopt

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DECISION:

Option 1 (adopt proposed schedule) Kent S. J. 200

Option 2 (adopt altered schedule) _____

Option 3 (do not accelerate leasing) _____

Option 4 (other) _____

FIGURE

SALE AREA

SOUTH TEXAS

CENTRAL GULF

CENTRAL GULF

SOUTHERN CALIF

COOK INLET

GULF OF ALASKA

GULF OF MEXICO
(GENERAL)

MID-ATLANTIC

NORTH ATLANTIC

GULF OF MEXICO
(DRAINAGE)

SOUTH ATLANTIC

GULF OF ALASKA
(INCLUDING KODIAK)

BEARING SEA
(ST. GEORGE)

GULF OF MEXICO

SO. CALIFORNIA

MID-ATLANTIC

BEAUFORT SEA

OUTER BRISTOL B.

NORTH ATLANTIC

CALIFORNIA GENERAL
INCL. BASH. & ORE

SOUTH ATLANTIC
(BLAKE PLATEAU)

BEARING SEA
(NORTH BASIN)

GULF OF ALASKA -
ALEUTIAN SHELF

CHURCH SEA
HOPE BASIN

BSI Baseline Studies in

C Call for Nominations

ND Nominations Day

T Announcement of T

DLS Final Environmental

PR Public Hearing

FES Final Environmental

N Notice of Sale

S State May Conduct

BEST COPY AVAILABLE

Figure 1:

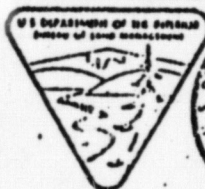
PROPOSED OCS PLANNING SCHEDULE

JUNE 1975
(REVISES NOVEMBER 1974 SCHEDULE)

SALE AREA		1974					1975												1976												1977												1978																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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BSI Baseline Studies Initiated
C Call for Nominations
ND Nominations Due
T Announcement of Tracts
DES Draft Environmental Statement
PH Public Hearing
FES Final Environmental Statement
N Notice of Sale
S State May Conduct Sale

Baseline studies scheduled are contingent upon scientific personnel and equipment being available to perform the studies. Sales are contingent upon technology being available for exploration and development. A decision whether to hold any of the lease sales listed will not be made until completion of all necessary studies of the environmental impacts and the holding of public hearings; as a result of the environmental, technical, and economic studies employed in the decision-making process, a decision, now, in fact, be made not to hold any sale on this schedule.



Carl A. Berkelund

Director,
Bureau of Land Management

2241

Table 122, page 1

TABLE 122. AREA BY AREA SUMMARY OF SIGNIFICANT AND POTENTIALLY VULNERABLE RESOURCES

OCS AREA	WILDLIFE RESOURCES			UNIQUE & HIGHLY PRODUCTIVE AREAS		FISHERY RESOURCES 1/		AESTHETIC & RECREATION RESOURCES
	birds	marine mammals	other	estuaries	refuge/management areas	commercial	recreational	
North Atlantic	300,000 waterfowl 8.5 to 4 million coastal and seabirds			70% commercially important species use for spawning, nursery or feeding	56 Governmental areas	1.9 billion pounds; value \$16 million	1.7 million salt water anglers harvested 267 million pounds	All Northeast total recreation days 735,000,000 Swimming--primary; Boating (fishing)--secondary
Mid-Atlantic	836,000 waterfowl over 3 million coastal and seabirds			Large areas and very important to shellfish and waterfowl	Nearly 100	970 million pounds; value \$85 million	1.8 million salt water anglers harvested 246 million pounds	
South Atlantic	167,000 waterfowl. Important bird habitat areas		Various turtle nests on beaches. Several endangered species of turtles	Some 2,650 miles of estuarine and beaches - almost a continuous estuary	17 including some 1.5 million acres	220 million pounds; value \$54 million	1.9 million salt water anglers harvested 404 million pounds	491,000,000 Recreation days; Swimming primary (most in Fla., no drilling)
East & Central Gulf of Mexico	3.4 million waterfowl Louisiana alone; other birds abundant but numbers not known	Florida manatee endangered; bottlenose dolphin most common	Several species of turtles occur including endangered species American Alligator endangered common in coastal areas	6.3 million acres of open water estuaries plus over 2.5 million acres of tidal marsh. Upwards of 90% of commercial fish catch estuarine dependent	5, totaling over 200,000 acres in Louisiana, Florida 13 Federal areas; 30 State; 3 national parks	100 million pounds; value over \$60 million	1.55 million salt water anglers harvested 334 million pounds	Highly used for sport fishing; Beaches less prevalent except parts of Florida Panhandle and Galveston (heavy use) Heavy hunting in marshes

Table 122, page 2

TABLE 122 (cont) AREA BY AREA SUMMARY OF SIGNIFICANT AND POTENTIALLY VULNERABLE RESOURCES

COCS AREA	WILDLIFE RESOURCES			UNIQUE & HIGHLY PRODUCTIVE AREAS		FISHERY RESOURCES 1/		AESTHETIC & RECREATION RESOURCES
	birds	marine mammals	other	estuaries	refuge/management areas	commercial	recreational	
West Coast	400,000 geese .7 to 1.8 million duck 150,000 coastal small breeding population; Brown pelican under research		Marine turtles some endangered occur; American Alligator endangered common	1.8 million acres; 150,000 acres of oyster reefs. Over 90% of commercial catch estuarine dependent	5 Federal areas totaling 134,000 acres	107 million pounds value \$88 million mostly shrimp and oysters	818,000 salt water anglers harvested 151.6 million pounds	973,000 visitors camping, swimming, sportfishing
Southern California	50,000 water fowl winter 100 species of waterfowl	Abundant; 30 species present	Several species of marine turtles occur Important kelp harvest	8,500 acres remain over 90% of original estuaries and wetlands developed 13 areas	Few in number and small in size	161 million pounds valued at \$1.6 million; 10 million pounds shell- fish valued at \$.9 million	Important party boat fishing 4.7 million angler days a year	All California 127,000,000 recreation days at beach only
Santa Barbara	See Southern California for numbers Channel Islands and Pinnacles are important areas	Large populations of many species 100,000 winter porpoises and sea lions in winter areas	Kelp beds 130,000 tons harvested	Few in number and small in size	Channel Islands National Monument	30 million pounds value at \$1.9 million; shell- fish 0.4 million pounds valued at \$.5 million	11 party boats harvested 50,000 crabs; shore fishing also important	7,000,000 visitors to State-run beaches along high- value ocean view property
Northern & Central California	100,000 wintered in coastal counties	sea lions, seals, sea otter, porpoises and whales		100,000 acres remain over 70% of original lost to development	16 Federal & State parks; one national seabird	71 million pounds valued at \$14 million; 13.3 million pounds shell- fish valued at \$4 million	little data except for salmon fishery	

OCS AREA	WILDLIFE RESOURCES			UNIQUE & HIGHLY PRODUCTIVE AREAS		FISHERY RESOURCES		AGRICULTURE & RECREATION RESOURCES
	birds	marine mammals	other	estuaries	refuge/management areas	commercial	recreational	
Southern Aleutian Shelf (Kodiak)	Not within a major water fowl flyway 200,000 wintering waterfowl. Adequate sea bird data not available.	4,000 sea otters; 37,000 sea lions; 15,000 harbor seals	Kodiak Brown bear	NOT DISCUSSED	5 national wildlife refuges totalling 4.8 million acres	113 million pounds valued at \$29 million of crab, shrimp, and salmon other bottom fish also abundant	NOT DISCUSSED	500,000 recreation visits
Bristol Bay & Bering Sea Shelf	One of the great bird concentration complexes of the world. Tens of millions of seabirds. millions of waterfowl. A major portion of the entire population of many species. St. George Island 3x107 least auklets	Fribilof Island fur seal herd of about 1.5 million; Stella sea lions over 35,000; harbor seals 10,000 to 20,000; walrus 15.7 to 34.4 thousands several species of whales	The waters of Bristol Bay constitute one of the most biologically productive areas in the world. Nunivak Island only muskox herd in the U.S.	Izembek Lagoon millions of birds	7 national wildlife refuges totalling 1.6 million acres	Billions of pounds in foreign fisheries - Bristol Bay salmon, 50 million fish worth \$20 million. Also fur seal harvest	Some sport fishing for salmon, trout and grayling	All north-west

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

2245

In Reply Refer To:
FWS/OBS

SEP 23 1975

Memorandum

To: Assistant Secretary-Program Development and Budget
From: Assistant Secretary for Fish and Wildlife and Parks
Subject: Comments on PDOB on the Proposal to Accelerate Oil and Gas Leasing on the Outer Continental Shelf

We recognize the need for an accelerated leasing program in order to assist in meeting national energy needs, and our recommendations with respect to the proposed program to accelerate leasing on the Outer Continental Shelf are developed within that context.

The option we favor is discussed on pages 32-34 of the PDOB, but not presented in the Decision Memorandum. The option involves the separation of exploration and development. This so-called "two stage" leasing will afford us the best opportunity to balance development of energy resources with environmental protection.

We recognize that adoption of a leasing system which follows this "two-stage" approach would require new legislation and could not be implemented immediately. Perhaps a turn in this direction is not too far away legislatively. While S.521 does not go this far in its provisions, such a trend does appear to be implicit in the language of the bill.

As an interim measure, we would recommend option 2 in the Decision Memorandum. We cannot agree with the premise that is expressed on page 4 that it is unlikely that environmental information or technology will change to such a degree that an improved decision process would result from considering the environmentally worst areas last. As you know, major investments are being made in gathering OCS environmental data, increased experience is being gained with operations in deep water and other hazardous areas, and given the lead time between exploration

PB-092401

TABLE 122 (cont') AREA BY AREA SUMMARY OF SIGNIFICANT AND POTENTIALLY VULNERABLE RESOURCES

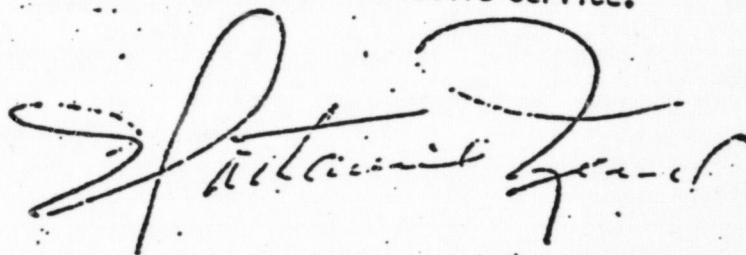
OCS AREA	WILDLIFE RESOURCES			UNIQUE & HIGHLY PRODUCTIVE AREAS		FISHERY RESOURCES		AESTHETIC & RECREATION RESOURCES
	birds	marine mammals	other	estuaries	refuge/management areas	commercial	recreational	
Washington & Oregon	10 million ducks, 1 million geese use the flyway, 100,000 waterfowl wintered; hundreds of thousands of colonial sea birds. 480,000 annual seabird production	Seals, sea lions, one sea otter area, whales.	Kelp beds important habitat subtidal rocks and banks	Oregon 14 totaling 56,000 acres Washington 2 large areas, Willapa Bay and Grays Harbor, Puget Sound 1.6 million surface acres	Oregon Islands National Wildlife Refuge - 29 islands totaling 367 acres, other areas as well	163 million pounds valued at \$36 million salmon, 46 million pounds shellfish valued at \$12.7 million	Poor data, salmon most important with 1.7 million fish taken, clamming & crabbing also important	170,000,000 visitors Camping, boating, fishing, swimming
Gulf of Alaska	Very important waterfowl area - millions of waterfowl 10's of millions of other birds many endangered species	Sea otters 5,000 sea lions 46,000 harbor seals 15,000 to 20,000 northern fur seal 50,000 during spring migration 20 species of cetacean		Extensive, complex and important to commercial fisheries, birds, marine mammals and other wildlife	Three areas in southeast area	152 million pounds valued at \$39 million; shellfish 29 million pounds valued at \$5 million	NOT DISCUSSED	5,500,000 recreation visits for Gulf of Alaska and Cook Inlet
Cook Inlet	Very important area counts of populations not provide for entire area	1,000 sea otter 1,000 harbor seal, 10,000 sea lions, 400 beluga whales	Coastal area support moderate populations of bald eagles and peregrine falcons	All of Cook Inlet is an estuary	Tuxedni and the Kenai National Moose Range	21.5 million pounds of salmon, 7.2 million pounds shellfish valued at \$5 million	Intensively utilized by residents of Anchorage	

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and development, we think it is quite possible that improved environmental stipulations and provisions could be developed in a schedule such as envisioned in this option. With particular regard for rural Alaska, we see either approach as affording the Department more time to prepare for the cultural shock which the onshore impacts of OCS development are sure to bring to these technologically depressed areas. Because of ANCSA all of the Bureaus under this office have much at stake in these areas.

Therefore, we would recommend the Department seek to develop a two-stage leasing system as rapidly as possible, while reordering the present accelerated leasing schedule as an interim measure. We should also point out that if a two-stage leasing program were developed, reordering of the leasing schedule would become less important. Exploration could proceed in all areas, including those to be considered most environmentally hazardous, since the timing of development could be adjusted somewhat among areas based upon the findings of the exploratory program and other factors.

These comments also reflect the views of the Fish and Wildlife Service.



ESTHETIC &
RECREATION
RESOURCES

70,000,000

Initiate
amping,
boats,
fishing,
swimming

00,000
recreation
sites for
of
Alaska and
Inlet



2248

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 23 1975

Memorandum

To: Assistant Secretary-Program Development and Budget
From: Assistant Secretary-Energy and Minerals
Subject: Decisions on Proposal to Accelerate Oil and Gas Leasing on the OCS

I have reviewed your draft memorandum to the Acting Secretary along with a copy of the Programmatic PDOD on the OCS Accelerated Leasing Program. I support Option 1 as outlined in your draft memorandum calling for acceleration of oil and gas leasing according to the proposed OCS Planning Schedule. While adopting a different order or sequence as provided for in Option 2 poses no real problem, it offers no apparent improvement over the presently proposed schedule and order.

Certain specific changes and modifications should be made in the Programmatic PDOD to reflect decisions made by the Acting Secretary on September 19, 1975.

Of the options given in the PDOD, I support Option I (adopt accelerated leasing proposal). After review and comment we should move to adopt proposed regulations providing for State review of development plans (Option 8) as well as those regulations calling for information to the States. Plans should also be made at an early date to develop the supplementary order with State and industry input.

I support Option 9 calling for adoption of the new data disclosure regulations, modified to reflect decisions made by the Acting Secretary on September 19, 1975.

The present stratigraphic drilling program, conducted by private enterprise, should continue (Option 11); the program could be modified to include on structure as well as off structure drilling, but should not be conducted by the government.

Bidding alternatives should be applied initially on an experimental basis. Most viable immediate option would be raising the royalty rate to a level of 25 to 40 percent.



CONSERVE
AMERICA'S
ENERGY

Save Energy and You Serve America!

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

2249

SEP 22 1975

Robert L. Johnson

Memorandum

To: Acting Secretary

From: Deputy Assistant Secretary - Land and Water Resources

Subject: Proposal to Accelerate Oil and Gas Leasing on the OCS
Of the four options outlined in the memorandum from the Assistant Secretary - Program Development and Budget dated September 18, we recommend that you adopt Option I, Accelerate Oil and Gas Leasing on the OCS according to the proposed OCS planning schedule.





United States Department of the Interior

BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

1791 (71)

2250

Memorandum

SEP 24 1975

To: Assistant Secretary, Program Development and Budget
Dorothy
Through: Assistant Secretary, Land and Water Resources
From: Director, Bureau of Land Management

Subject: Comments on Program Decision Option Document (PDOD)
for Accelerated Outer Continental Shelf (OCS) Leasing

In response to your memorandum of September 18, 1975, we have reviewed the PDOD for Accelerated OCS Leasing and we present the following recommendations.

We recommend adoption of the accelerated leasing program as proposed. This is presented in the PDOD as Option 1. We are not in favor of the other alternatives to the proposal involving delay or modification and presented as Options 3 to 8.

Regarding data disclosure, we favor Option 9: Adopt proposed new data disclosure regulations, but we caution that the proposed six-month period for disclosure is too short. We suggest a longer term disclosure. Additionally, we favor continuance of the present stratigraphic drilling program (Option 11); and we recommend that the current bonus bidding with 16-2/3 royalty system be maintained (Option 13).

Ernest Burkhardt



United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

2251

SEP 24 1975

Memorandum

To: Assistant Secretary--Program Development and Budget

Deputy
Through: Assistant Secretary--Energy and Minerals

From: Director, Geological Survey

Subject: Review of the Decision Memorandum and Program Decision
Option Document (PDOD) on the proposal to accelerate
oil and gas leasing on the OCS

Enclosed please find our comments on both the subject Decision
Memorandum and the accompanying PDOD.

D. E. McKelvey

Director

Enclosures (2)

Comments on Decision Memorandum
Comments on PDOD



COMMENTS ON DECISION MEMORANDUM FOR PROPOSED
ACCELERATION OF OIL AND GAS LEASING ON THE OCS

1. Page 3 -- Lines 9 and 10 - Suggest sentence be reworded as follows: "The following table provides a rough estimate of oil spillage that might occur in the various OCS areas."
2. Page 3 -- Suggest that the word "expected" following A, B, C, and D be changed to "projected."
3. Page 4 -- Line 1 - Should read: "An average of six sales per year for the period 1975-1978." (With the Cook Inlet sale now scheduled for 1976, there will be five in 1975 and seven in 1976, barring further changes.)

1. Page 1 — The statement with respect to the number of sales should read: "An average of one sale per year for the period 1975-1978." (With the first sale now scheduled for 1976, there will be five in 1975 and seven in 1976, barring further changes.)
2. Pages 4-5 — Since the estimates of \$1.00 - \$7.00 per barrel are from a 1974 study, they may not reflect recent inflationary trends. La Rue, Moore and Johnson, in a May 1, 1975, report estimate the cost of new oil (onshore and offshore), both on to be: 1972 - \$7.36; 1973 - \$8.70; and, 1974 . Obviously these do not represent "real resource costs," do indicate inflationary trends.
3. Page 8 — Shale oil production of \$8.00 per barrel is low, based upon recent indications that inflation has pushed the cost up to the \$11.00 - \$13.00 per barrel.
4. Page 11 — First paragraph - While the statement with regard to mandatory conservation measures expresses the classical economic viewpoint, it ignores the fact that others consider this finite resource of higher future use as a source of petrochemicals, rather than as a fuel to be consumed in its entirety now.
5. Page 12 — Suggest addition of the following to the end of the first paragraph: "Furthermore, natural gas associated with oil will be produced as a consequence of increased oil production."
6. Page 16 — General Unavoidable Impacts covers the effects, but unavoidable causes are not discussed. Although site specific studies of geologic hazards at future well locations will be conducted, there is almost a certainty of accidents, such as from earthquakes, high pressure gas and bottom sediment problems.
7. Pages 36-40 — This section on G&G data disclosure confuses disclosure provisions for data obtained by permit, pre-lease, with disclosure provisions for data obtained under lease.
8. Page 36 — Second sentence under (1) G&G data disclosure: Geological data obtained under pre-lease permits are not released, but geological data obtained under leases are released upon termination of the lease in contrast to the statement that "this data is never made public by USGS."
9. Page 36 — Last paragraph - Both geophysical and geological data obtained under pre-lease permits would be made available publicly after ten years. (The six months applied only to geological data acquired on leases. This period we understand has now been set at two years rather than six months.)

10. Page 37 -- Suggest the word "appropriate" be used rather than "correct" preceding the word "incentives" on lines one and five (also on line six from the bottom of page 39).
11. Page 38 -- Line 6 - Suggest "reluctant" instead of "recalcitrant."
12. Page 40 -- 1. New regulation: Reword as follows to agree with proposed regulations: "Public release of geophysical data ten years after issuance of the permit or submission under a lease, whether gathered under a pre-lease permit or on a lease; immediate availability upon request to USGS. (Geophysical data acquired on a lease also becomes available upon termination of the lease.)"
13. Page 40 -- 2. New regulation: Reword as follows to agree with proposed regulations: "Public release of geologic data two years after submission, for data obtained on leases; ten years after issuance of a permit for data obtained pre-lease except deep stratigraphic drilling; five years after completion of a deep stratigraphic test, or 60 calendar days after the issuance of the first Federal lease within 50 geographic miles of the drill site, whichever is earliest. (This assumes decision has been made to change the disclosure provision from six months to two years for geologic data collected on leases.)"
14. Page 41 -- Last sentence - Suggest sentence be reworded as follows: "Holes are probably additional to those that would be drilled later in actual lease exploration." (Off-structure deep tests could be drilled to test stratigraphic trap possibilities or simply to acquire information on a more complete stratigraphic section than is available "on-structure." Such tests would constitute "actual exploration" and not be duplicative of subsequent on-structure tests.
15. Page 42 -- First paragraph - While it is true that both on-structure and off-structure tests may produce substantially the same information, it is more likely that an off-structure test will provide information on a less disturbed and more complete stratigraphic section.
16. Page 43 -- First paragraph - One can argue that the incentive for companies to drill pre-sale holes is appropriate inasmuch as the reduction of uncertainty will improve their bidding posture. Much of the benefit of pre-lease drilling is therefore captured by companies doing the drilling and not necessarily by Government in the form of higher bids for leases. This would only hold true if the drilling results indicated more favorable conditions than could have been visualized without the drill-hole information. The south Texas deep strat tests for example had a negative effect on bonus bidding in terms of higher bonus bids. If a deep strat test had been drilled in the MAFLA area it appears likely that bonus bids would have been reduced based on subsequent drilling results. The benefits of pre-lease drilling can accrue to either the Government or the companies depending on the results of a

given test. In either case the elimination of uncertainty as a result of such tests may result in an overall National benefit.

17. Page 48 -- The option's with regard to stratigraphic drilling programs could be expanded to include the possibility of on-structure as well as off-structure drilling programs by industry as an intermediate option between options No. 11 and 12.



Exhibit 11-Part 2

United States Department of the Interior

EX-11-11-11

3300-P (7)

BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

Memorandum

To: Secretary of the Interior

Through: Assistant Secretary, Land and Water Resources

From: Director, Bureau of Land Management

Subject: State of Massachusetts Comment on Final Environmental Statement Concerning Proposed Increase in Oil and Gas Leasing on the Outer Continental Shelf

SEP 26 1975

This transmittal summarizes comments submitted by the State of Massachusetts concerning the Department's OCS programmatic FES, and received by BLM subsequent to completion of the Bureau's Summary Report.

The State expressed concern that many of the probable land-based impacts associated with oil and gas development of the Georges Bank region cannot now be adequately assessed. In addition, the State criticizes the FES for its limited treatment of potential impacts on local air quality, sport and commercial fisheries, and socio-economics. Possible conflicts between Federal leasing activities and the State's Division of Waterways programs were also discussed with respect to dredge and fill operations.

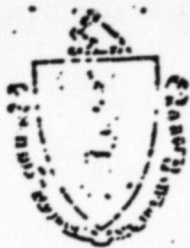
Bureau Response: The FES admits that many of these topics cannot now be addressed and perhaps should not be discussed at the programmatic EIS level. In its tract-specific analysis, the Bureau will attempt a more detailed assessment of the local and regional environmental, socio-economic, and land use implications of OCS resource development.

Enclosure

George L. Twest
Associate



Save Energy and You Serve America!



COASTAL ZONE
MANAGEMENT

The Commonwealth of Massachusetts 73
Executive Office of Environmental Affairs
160 Cambridge Street
Boston, Massachusetts 02262

2257

September 8, 1975

Mr. Kent Frizzell, Acting Director
Department of the Interior
Washington, D.C.

Dear Mr. Frizzell:

Attached are comments concerning the Final Programmatic Environmental Impact Statement "Proposed Increase in Oil and Gas Leasing on the Outer Continental Shelf". The comments were solicited from our line agencies where material from the E.I.S. seemed to fall within the jurisdiction of that agency. The comments being submitted constitute the official reply on behalf of the State of Massachusetts and it is hoped that serious consideration will be given to the comments.

Thank you for the opportunity to reply to the Programmatic Impact Statement.

Very truly yours,

Evelyn F. Murphy
Secretary

EFM:CRT:sar

25-1-01502

2258

Coastal Review Center

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2259

Compiled for the
Massachusetts Executive Office of Environmental Affairs
by the
Coastal Review Center
Massachusetts Coastal Zone Management Office

COMMENTS ON
FINAL PROGRAMMATIC ENVIRONMENTAL
IMPACT STATEMENT
PROPOSED INCREASE IN OIL AND GAS LEASING
ON THE
OUTER CONTINENTAL SHELF

The environmental impact of the proposed oil and/or gas drilling operation on the outer Continental Shelf cannot be fully assessed at this time vis a vis the beach and island areas of the Massachusetts Metropolitan District Commission which would most likely be affected. The location of the onshore support facilities would have to be known. The impact of a large oil spill is well known.

The Georges Bank trough which lies, roughly, some 100 miles off Boston is the area where exploratory drilling will start in August 1976. Prior to this, harbor sites for onshore support facilities will be selected. Where they will be located remains to be seen so no assessment as to their environmental impact can be made concerning Massachusetts' areas.

Should support facilities be located onshore, the usual adverse impacts due to their normal activity such as noise, dust, increased traffic flow, etc., could be expected. If the facility were to be near a recreational area the impact could be much greater as regards the public, or if it were to be situated so as to cause interruptions to the normal flow of traffic on roadways.

A heliport will also be part of the support facilities for helicopter transport of material and personnel to and from the drilling rig. This would be an added source of noise and air pollution, though the number of flights is unknown at this time.

In the event that the drilling rigs and platforms would be constructed in this area, a deep-water port such as Boston Harbor would be required so that

they could be launched and towed to the exploratory or producing area. However, the likelihood of this is not too great unless the Georges Bank Basin proves to be of such enormous potential as to warrant their construction here economically, otherwise they would be constructed elsewhere and towed to the drilling area.

Presumably a site of considerable acreage would be required for their construction and to provide for the storage of materials, equipment, and the garaging and parking of vehicles. The adverse environmental impacts as previously noted would likewise have effect on adjacent properties.

If oil and/or gas are found they could be piped ashore with the consequent disturbance to the shore area by excavation for the lines. Oil might be pumped directly to barges and tankers from the drilling rig. Onshore storage facilities and a pumping station would be required, though the storage could be handled at a site some distance inland from the pumping station. A terminal plant would require some forty (40) acres. The impact on a recreational area adjacent or nearby would be considerable. Such a terminal could be located inland to avoid this unfavorable situation.

Under normal conditions, the onshore support facilities will probably have the greatest adverse environmental impact on Massachusetts' properties depending upon where they will be located. The possibility of a serious oil spill at the drilling site will be an ever present danger and the beach and island areas would, presumably, be most vulnerable. Likewise, the possibility of a large leak from a pipeline or from a ruptured barge or tanker must also be considered a serious danger to the beaches and islands.

It appears that there has been very little attempt by the Bureau of Land Management to involve the National Marine Fisheries Service or N.O.A.A. personnel in the preparation of this impact statement. Whether this is by design or by default is known only by the Federal agencies. The only specific commercial fisheries information attributed to the N.M.F.S. are landings publications through 1971. Additional data is presented through 1973 on pages 495 through 500. There is essentially no discussion of the data presented or no evaluation by N.M.F.S. In addition, there has been no effort by B.L.M. to include foreign catch information. It should be noted that this information is available through annual publications from I.C.N.A.F., and the information is not difficult to obtain.

The commercial and sport fisheries resources are discussed on pages 700 and 701 of Volume 1 by the U.S. Fish and Wildlife Service. This agency has no responsibility for marine fisheries resources and apparently did not consult with N.M.F.S. in the Department of Commerce. The descriptive material on page 700 on Georges Bank would not appear to be up to date since it indicates that the ex vessel value from United States fishing vessels is approximately \$ 40,000,000 annually. This would appear to conflict with the values reported by N.M.F.S. on page 488 wherein the Massachusetts landed value alone is \$ 57,000,000. Moreover, the Fish and Wildlife Service cites a 1970 report on salt water sport fishing from the Northeastern coastal states including Maine through New York. More recent information is available from the N.M.F.S. which indicates that Massachusetts alone, in 1974, had 1.9 million salt water sport fishermen.

In Volume 2, on pages 163 and 164, there is very little specific information given relative to interference with fishing operations, both from and platforms.

In summary, the report is so general that it provides very little potential fishery impacts. It is apparent that the New York State Commission study and portions of the pipeline studies will be needed to more completely assess these kinds of impacts.

The U.S. Department of the Interior's Programmatic E.I.S. identifies two basic sources of air pollution emission: "The quality of air in any area could be degraded by:

- 1) exhaust emissions of stationary power units and service vessels, and,
- 2) by the accidental release of oil and gas from wild wells."

Depending on the location of any associated oil refineries, an increase in refinery capacity will add to the total emissions of oxides of nitrogen, sulphur dioxide, hydrocarbons, carbon monoxide, and hydrogen sulphide, particularly to the atmosphere.

As stated in the E.I.S., "there is no reliable way to predict in advance the relative volumes of each of these possible emissions because it would depend, among other things, upon moisture content of the air, wind speed, pattern of oil spray from wild wells, number of wells involved, chemical content and physical character of the oil itself, and types of equipment and materials other than oil that might burn itself."

Given this self-admission it is inappropriate for the E.I.S. to include in other parts of the document such statements as, "the impact of exhaust emissions is unknown, but considering the small total horsepower requirements it is thought to be small", and, "air quality will not be seriously impaired by routine operations,...". Without a site specific E.I.S. and additional detailed analysis, such general statements are difficult to justify and, in most cases, misleading rather than useful.

In any case, state review of air quality impacts of O.C.S. development is difficult to attempt at this point in time.

Once a site-specific E.I.S. has been prepared for Georges Bank, the Massachusetts Division of Environmental Quality Engineering (D.E.Q.E.) and the State Air Pollution Control Agency can provide specific comments as to the risks involved and the viability of various operations proposed for Georges Bank.

Also, the State and E.P.A. should reach a definitive agreement as to the responsibilities of each for ensuring compliance with State air pollution regulations as a portion of the State Implementation Plan. It is likely that, as with other Federal facilities, E.P.A. will have primary responsibility for ensuring environmental protection and that measures are taken which would conform with State air pollution control regulations. Before we can confidently rely upon this or any other arrangement for ensuring compliance, a joint evaluation by the State and E.P.A. of the site-specific E.I.S. is required.

DREDGE AND FILL OPERATIONS

The action of the U.S. Department of the Interior in leasing and the ultimate exploration of the O.C.S. could have a significant impact on the Massachusetts Division of Waterways programs, because of the responsibilities designated by Chapter 91 of the Massachusetts General Laws, unless certain provisions are contained in the leases, e.g. Will the lessor be responsible for damage and ultimate correction to harbors, tidal rivers or streams, foreshores, and tidewaters of the Commonwealth?

The language of the E.I.S. excerpts appears very specific as to damage that will occur but not to measures for minimizing or correcting such damage.

Any structure built within the tidewaters of Massachusetts has to be licensed through the Division of Waterways.

Specific program conflicts cannot be determined until such time as an
specific plan is required.
Environmental Impact Statement is prepared for each facility.

GEOLOGY

The analysis of geological aspects are adequate from an engineering point of view; however, more information is needed. The Shallow Drilling Program of the U.S. Geological Survey and the Continental Offshore Stratigraphic Test (C.O.S.T.) Holes will be able to provide additional information.

SOCIOECONOMIC IMPACTS

The section on onshore socioeconomic impacts (Volume II, pages 181-215) covers its topic only superficially. Examples of employment are given for one or two facilities in each category, as well as a few figures on water and electricity requirements. No discussion is made of ranges of impacts from facilities of different sizes. Payrolls, public services other than water and electricity, housing and other social impacts, and impacts on local tax rates are ignored. The only discussion of costs and benefits to the location receiving the facility consists of a criticism of the Louisiana and Texas state government studies of costs to their states from O.C.S. development; the E.I.S. does not offer any estimates of its own in this regard.

One statement, on page 183, is patently wrong with regard to the Atlantic O.C.S. Operations bases would not be constructed until at least a year after leasing of an area takes place. ...In areas where there has been no previous O.C.S. development, service would initially be provided by companies in the Gulf of Mexico or other established regions.

This statement is true for the Atlantic O.C.S. only in that certain specialized companies (such as drilling mud suppliers) would probably not locate here until there existed a level of exploration and/or development to justify establishing a branch of the company. Service bases would be established, however, beginning possibly prior to the lease sale, and would have to be in full operation by the time drilling started.

Plat 11-1

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United States Department of the Interior

IN REPLY REFER

3300 (732)

BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

SEP 26 1975

Memorandum

To: Secretary of the Interior

Through: Assistant Secretary, Land and Water Resources

From: Director, Bureau of Land Management

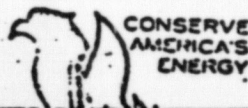
Subject: Summary Report of Public Comments Received Concerning
Final Programmatic Outer Continental Shelf (OCS) Oil
and Gas Leasing Environmental Impact Statement

Enclosed for your consideration with respect to the Department's
accelerated OCS oil and gas leasing proposal are the following
materials.

1. Executive summary of public comments received concerning the final programmatic EIS.
2. Detailed summary report of all public comments received concerning the FES, with appropriate BLM comment.
3. Summary of NOAA comments concerning the draft programmatic EIS.
4. Attachments consisting of complete text of all comments received.

Enclosures - 4

George L. Truitt
Associate



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SUMMARY OF PUBLIC COMMENTS ON
FINAL ENVIRONMENTAL STATEMENT CONCERNING
A PROPOSED INCREASE IN OIL AND GAS LEASING
ON THE OUTER CONTINENTAL SHELF

Executive Summary

Public comments concerning the Final Programmatic OCS Oil and Gas EIS were received from seven coastal States, two local government representatives, and one environmental group. Many of the views expressed by these parties were voiced earlier during formal public review of the draft statement. Some of these views represent unresolved policy issues, while others reflect the present lack of information concerning specific environmental and socio-economic implications of leasing in frontier OCS areas. A final study underscores the ill-defined mandates of the National Environmental Policy Act and its interpretive CEQ Guidelines. Interpretive loopholes in this law have precipitated vigorous, but unresolved debate on the proper depth and scope of the Programmatic discussion. Other assorted opinions and suggestions were voiced concerning the role of coastal States in OCS leasing, alternative leasing strategies, necessity for current implementation of the proposal and the need for additional environmental and resource data.

Policy Issues. A redundant criticism of both the DES and FES cited the Department's lack of defining its proposal in the context of a National Energy Program. A consensus of comments received felt that energy conservation would play a significant role in any such plan and that this alternative, if implemented, could obviate the immediate need for rapid OCS leasing.

A frequent proposal suggests the separation of OCS exploration from the development phase (FES Alternative I). Resource information could then be used to make wiser and better planned development decisions.

Proposed Leasing Schedule. The 1975 Proposed OCS Planning Schedule is criticized for its relative insensitivity to environmental considerations. The scheduling sequence is frequently at odds with environmental risk analyses of the FES. The Southern California Association of Governments favors lease scheduling Alternative H, or some other variation of the 'save the worst for last' leasing strategy.

Data Gaps. It was generally conceded that the Final EIS represents a vast improvement over the Draft version, however several correspondents criticized the EIS for attempting to predict impacts when sufficient predictive data is clearly lacking. Suggested remedies for this inadequacy include additional environmental impact assessments (e.g. regional) and delays in OCS leasing until data accumulation permits a valid assessment of potential impacts.

and resource data.

Legal Adequacy of the EIS. Several opponents of the Department's Proposal cited the FES for apparent violations of NEPA and/or CZMA. Alleged FES violation took the form of (a) substantial revisions from the DES, so as to make the Final Statement in reality a second Draft document which should be redistributed as such for full

public review and comment; (b) inadequate discussion of any or all aspects of the proposal (varies with correspondent); (c) failure to consider additional alternatives or mitigating measures (as specified by reviewer); and (d) failure to comply with the mandate of the CZMA by formulating Federal OCS leasing policy before State implementation of their CZM programs.

New Hampshire Governor Thomson suggests that "loosely conceived and liberally interpreted" Federal environmental laws be revised so as to engender a spirit of "cooperation rather than confrontation."

For the Proposal. Citing the need for lessening the Nation's dependence on foreign energy sources. The States of Louisiana, New Hampshire and South Carolina generally favored the FES Proposal, with varying degrees of enthusiasm. Louisiana, observing that no apparent long-term harm was resulted from many years of leasing in the central Gulf of Mexico, suggests leasing at a faster rate than proposed, if possible. South Carolina takes a more cautious position, recommending that the Department lease with proper environmental safeguards while striving for a cooperative dialog with State and local planners.

Coastal State Role in OCS Program. State policy comment on OCS development centered on three concerns: (a) they be guaranteed an

early role in OCS program planning; (b) they be supplied timely information on offshore resources and industry intentions concerning onshore development; and (c) the Federal government develop a mechanism to aid States in planning for and accommodating onshore development. This mechanism should provide statutory compensation for net adverse impacts and also include a no-fault spill liability provision.

Additional Items. NOAA comments on the draft Program EIS, inadvertently omitted from the FES, stressed the need to identify and fill existing environmental data gaps. NOAA's Office of Coastal Zone Management outlined the necessity to encourage coastal State and local government participation in OCS policy making as mandated by the 1972 Coastal Zone Management Act.

An Atlantic OCS policy position paper adopted by the Mid-Atlantic Governors Coastal Resources Council and submitted as draft EIS testimony at the February 1975 Public Hearing in Trenton is attached to this summary at the request of Delaware Governor Tribbitt. Recommendations of the Council are outlined in the full summary.

PUBLIC COMMENTS ON FINAL ENVIRONMENTAL
STATEMENT CONCERNING PROPOSED INCREASE
IN OIL AND GAS LEASING ON THE
OUTER CONTINENTAL SHELF

Comments concerning the Department's accelerated OCS leasing proposal were received from the following parties:

Governmental

Federal: None

State: Delaware

Maine

New York

New Hampshire

South Carolina

Florida

Louisiana

Local: City of Los Angeles

Primary Public Hearing in Houston is attached to this summary at
Southern California Association of Governments (SCAG)

Other

Marine Environmental Council of Long Island

The States of Texas and Georgia indicated an intention to submit comments on the proposal, however, as of September 23, 1975, these responses were not received.

The following text summarizes significant issues and recommendations contained in the FES review material submitted. A complete set of all comments received is enclosed with the summary.

A number of general comments on program policy and EIS content were duplicated among several correspondents. These consensus views are presented initially along with appropriate Bureau responses. This discussion is followed by a summary of other, individual comments listed by correspondent.

General Consensus Comments and Responses

1. Comment: The accelerated leasing proposal should be defined as part of a comprehensive national energy program (Me., N.Y., Del., L.A., S.C.A.G.). An extension of this view holds that the Department's proposal should be delayed, pending formulation of this overall energy policy.

Response: This comment was highlighted in both the DES and FES. A discussion of the general environmental implications of delaying the proposal until a national energy program is developed is presented as proposal alternative VIII-D of the FES.

2. Comment: A need exists for greater State and local governmental participation in OCS-related decision making (S.C., Dal., S.C.A.G.).

Response: Attempts are being made to increase State and local participation in OCS management decisions vis. OCS policy advisory board, State input in EIS preparation and tract selection, and proposed USGS regulations concerning industry data disclosure.

3. Comment: The apparent philosophy (FES Vol. I:17) of the June 1975 OCS Planning Schedule i.e. to lease those areas with the richest and most accessible potential resources first, ignores serious environmental concerns (N.Y., L.A.). Alternative H, or some other variation of the 'save the worst for last' leasing strategy should be strongly considered (S.C.A.G.).

Response: Several alternative leasing strategies are presented to the Secretary in the EIS.

4. Comment: Several areas of discussion in the FES are inadequate in meeting the requirements of NEPA. These include the section on alternatives—especially conservation (Ma., S.C.A.G., L.A., Fla.), impacts (both onshore and offshore) (Me., N.Y., S.C.A.G., L.A., Fla.), and mitigating measures (L.A., S.C.A.G.).

Response: These sections have been significantly revised as a result of DES public comment.

5. Comment: In view of these inadequacies and the substantial revisions and additions made in the draft document, the FES should be reissued as a draft statement (Me., N.Y., L.A.).

Response: BLM disagrees. Revision in light of public comments is the thrust of the two-step procedure involving a DES and FES. Moreover, a 60-day comment period was provided to the public on the FES.

6. The FES represents an adequate environmental assessment of the proposal. In view of the nation's increasing dependence and vulnerability concerning insecure energy imports, and rising domestic energy costs, the Administration should implement its accelerated leasing proposal without further delay (N.H., La.).

Response: No comment required.

7. Comment: States and local communities that will incur unavoidable adverse environmental, social and economic impacts related to OCS leasing should receive financial assistance for planning and adjusting to these developments (S.C., Del., L.A.).

Response: This suggestion was also voiced in other comments on the DES and FES public comment. Legislation would be required to accomplish this goal.

8. Comment: The Department of Interior should consider separating lease exploration from the development phase in order to verify the distribution and quantify of OCS oil and gas reserves prior to making commitments to develop these resources (S.C.A.G., Del., N.Y.).

Response: This alternative leasing option is discussed in the FES as Alternative VIII-I (Two Stage vs One Stage OCS Development) and also under Alternative VIII-J (Alternative OCS Exploratory Programs).

ADDITIONAL COMMENTSState of Delaware

The Delaware transmittal was not an official comment on the Department's proposal. Rather, in a letter to the Council on Environmental Quality (CEQ), Governor Tribbitt objected to the omission from the FES of a position paper of the Mid-Atlantic Governors Coastal Resources Council which was read as testimony at the Trenton, New Jersey public hearing on the draft proposal.

Both Governor Tribbitt's letter and Chairman Peterson's reply are attached to this summary, as is the Mid-Atlantic Governors' position paper. In addition to consensus comments 1, 2, 7, and 8 listed previously, the Governors' issue paper offered the following recommendations:

1. Comprehensive regional and site-specific EIS's should be prepared prior to critical OCS decision-making.
2. A mechanism should be implemented for compulsory compensation to State and local governments as well as private concerns for net negative impacts of OCS resource development. This plan would include a no-fault oil spill liability fund.

3. Oil companies should submit long-range development plans which emphasize onshore development scenarios.

Other recommendations were of State concern.

State of Maine

The State of Maine generally feels that the FES fails to meet the requirements of NEPA and, therefore, should be reissued with proper modifications in draft form. In addition to inadequacies in the EIS discussion of impacts and alternatives and the lack of a national energy policy, the State listed the following specific criticisms.

Bureau comments, where appropriate, are enclosed in brackets.

1. Impacts on the nation's fisheries are not adequately discussed.

[The Bureau considers this more appropriately a sale-specific concern.]

2. Relative environmental risks of OCS development in different areas were not discussed. [This assertion is incorrect. A significant portion of the statement's Impact section attempts to analyze environmental vulnerability in the various OCS areas from a consideration of estimated oil spillage rates, occurrence of natural hazards, and hypothetical oil field proximity to coastal resources. These preliminary assessments are used

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to rank the various areas on the basis of environmental risks of offshore development. It was felt that in view of the local nature of onshore impacts, these effects were best discussed in generic terms in the program statement. For the same reason, no relative ranking of onshore impacts was attempted.]

State of New York

The State of New York criticized the FES and/or leasing proposal on the basis of consensus comments 1, 3, 4, 5, and 8, and submitted the following additional specific comments. Appropriate Bureau responses follow in brackets.

1. The revised accelerated leasing proposal may serve only to camouflage the former 10 million acre proposal, and actually result in more than 10 million acres leased yearly. [A summation of OCS acreage proposed for lease in the tentatively scheduled sales for calendar year 1975 dictates otherwise.]
2. In view of significant data gaps in the current document, a more meaningful programmatic environmental assessment might be attempted following the completion of all site-specific analyses.

3. The State disagrees with the Bureau's categorization of including a discussion of priority oil allocations as "inappropriate". [The Bureau feels this issue falls outside the scope of the EIS.]
4. The State disputes the Bureau's dismissal of another DES comment-- the need to discuss "the role of the oil companies as it affects the ability to apprise our energy needs and resources." [G and G data disclosure should help fill the apparent resource information gap between industry and government.]
5. Regulations should be instituted to require the 'best available' technology to prevent oil spills. [This suggestion appears sound; however, a prime concern is whether the technology would be economically feasible.]
6. Alternative leasing procedures suggested in the State's DES comment were not adequately discussed in the FES. [See FES Vol. II:960-961 for Bureau comment.]
7. Adoption of the accelerated leasing proposal would violate the CZMA of 1972.

State of New Hampshire

In addition to underscoring the nation's need for OCS oil and gas and arguing for immediate implementation of the accelerated leasing proposal, the State voiced these additional comments.

1. The EIS process tends to understate positive aspects of the proposal, i.e., the reasons why the proposal was initially formulated.
2. Current Federal environmental statutes should be reviewed so that those which appear "loosely conceived and liberally interpreted" can be redefined so as to provide an effective framework for "cooperation rather than confrontation."

State of South Carolina

The State of South Carolina supports the role of OCS oil and gas in meeting the nation's energy requirements but emphasizes the need to reach a working balance between environmental quality and economic growth. The State stresses the difficulties faced by frontier leasing areas in coping with the inevitable impacts of OCS development. In this context, South Carolina made the following recommendations.

1. In light of existing environmental data gaps in the South Atlantic region, new information concerning unique or unusual environmental conditions should be made immediately

- available to the adjacent States, and possibly incorporated into special lease stipulations if necessary to insure environmental safety.
2. Onshore impacts of leasing in the South Atlantic region are likely to be significant. Analysis of these potential impacts should be initiated or continued, if underway. In addition, a mechanism should be implemented to assist States during pre-lease planning stages and provide compensation to State and local governments for resource commitments and other impacts of the OCS leasing program.
 3. The State is encouraged by the Federal Government's commitment to active State-Federal cooperation in OCS policy development and program management.

State of Louisiana

The State of Louisiana attests that no significant long-term environmental harm has resulted from oil and gas leasing in the central Gulf of Mexico, and suggests that accelerated OCS leasing be implemented, at a faster rate than proposed, if possible.

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State of Florida

1. The State of Florida expresses continued concern that insufficient environmental and other data is available to adequately assess the impacts of the proposal.
2. Energy conservation should be seriously considered as a partial alternative to OCS leasing. Implementation of this measure could lessen the impact burden of rapid, widespread OCS leasing, and allow additional time for important data gaps to be filled.

City of Los Angeles

The City of Los Angeles' comments are outlined in two transmittals. The August 22, 1975, letter identifies several significant revisions in content of the FES with respect to the DES and suggests that these constitute grounds for recirculation of the document in draft form. This letter also recites a list of specific criticisms originally submitted as DES comment by the Southern California Council of Local Governments. The City feels these issues have not been adequately addressed in the FES.

The September 9, 1975, transmittal contains seven separate critiques of various FES segments by members of the Scientific Advisory Committee to the S.C.C.L.G. Many of these technical comments are

pertinent to the site-specific consideration given to proposed lease sales.

General issues raised by the City in their comments on the FES include consensus comments 1, 4, 5, and 7. The following apparent deficiencies in the EIS were also noted.

1. The EIS fails to present critical USGS data that might affect an adequate assessment of offshore drilling hazards. [The programmatic EIS identifies the types of natural hazards likely to be encountered in each OCS area, their degree of severity and the general environmental problems that might arise because of these phenomena. The Bureau feels a detailed discussion of these hazards and their potential local impacts belongs in the site-specific EIS, after tentative lease tracts are identified.]
2. The EIS does not discuss relative environmental impacts of OCS drilling in various geographic areas, so that appropriate lease strategy decisions can be made. [This type of analysis was made with the area-by-area summary ranking of spill hazards. Results of the analysis were used to develop alternative leasing strategies listed in Section VIII.]

3. Potential degradation of air quality received insufficient treatment. [The Bureau continues to feel that this issue is best addressed in terms of the tract-specific environmental analysis. State CZM planning remains the best mechanism for minimizing potential adverse impacts of onshore refinery sitings.]

4. Mitigating measures are not adequately discussed. [In DES comment, S.C.C.L.G. suggested five possibly mitigating measures for Departmental consideration. Briefly, these are: (1) immediate CCS exploration, but delayed development and/or production; (2) priority in lease sales farthest from shore; (3) camouflaging rigs; (4) subsea completions; and (5) commitment to more stringent drilling and production regulations (see FES Vol. III:574-579 for full Council text).
 [Although the FES does not discuss the Council's suggestions specifically as mitigating measures, these proposals are addressed in other parts of the statement: Point (1) in EIS sections VIII-I,J; point (3) in section III-B; and point (4) in sections I-C and III-B. See FES Vol. II:653-654 for Bureau comments on items (2) and (5). (Bureau response (2), -p. 653 should reference sec. VIII-H, not VIII-E.)]

Note that S.C.A.G., in its August 25, 1975 comments on the FES, suggests that "Camouflage of structures to 'look like islands, lighthouses, etc....' beyond the three mile limit would be very difficult and more intrusive than the structures themselves."]

Southern California Association of Governments (SCAG)

The Association transmittal consists of a list of six general policy statements and an additional one and one-half pages of detailed staff comments on the FES. In addition to consensus issues 1-5 and 8 presented earlier, SCAG had the following comments concerning the FES.

1. SCAG echoes their DES comment that State CZM programs should be formulated and implemented before Federal leasing decisions are reached.
2. SCAG argues that action on the FES proposal should be delayed until revised Congressional OCS legislation is passed, and that whatever legislation is enacted should be consistent with State CZM policies.
3. Independent environmental studies should be conducted in order to fill admitted data gaps and complement the Bureau's environmental impact assessment.

4. The feasibility of requiring secondary and tertiary resource extraction should be investigated. The practice of "high-grading" should be discouraged.

Association staff comments are enclosed with their transmittal and will not be repeated here. In general, these comments criticize the methodology and content of the FES on grounds of insufficiency or irrelevancy.

Marine Environmental Council of Lonz Island (MECLI)

This environmental group is specifically concerned about the potential health hazard created by the enhancement of bacterial activity in sewage sludge from interaction with crude oil.

In addition to a primary sewage disposal site lying NW of the Sale #42 Call area, two alternate disposal sites are under consideration by EPA. One of these sites (area ~12-12) lies within the Call area but does not include tracts tentatively selected for leasing. An EIS on alternate disposal site selection is currently being prepared by EPA.

The potential problem of interactions between sewage waste disposal and offshore petroleum activities is currently being investigated by both EPA and BLM.

Additional NOAA Comments Concerning the Draft Programmatic OCS Oil and Gas EIS (DES 74-93)

During the preparation of the final programmatic OCS leasing EIS official review comments were received from several offices of the Department of Commerce's National Oceanic and Atmospheric Administration. Although transmittals from both Commerce's Assistant Secretary for Science and Technology and NOAA's National Marine Fisheries Service were addressed in the FES (Vol. II:427-458), additional comments from several NOAA offices were inadvertently omitted from the final EIS. These additional comments included both general and specific suggestions. The specific comments were frequently technical and editorial in nature. Although not specifically addressed in the FES, many of these suggestions were either accommodated or mooted as a result of the extensive review and revision of the draft statement.

The following text summarizes the additional DES comments supplied by NOAA. BLM responses, where appropriate, are enclosed in brackets.

NOAA-Pacific Marine Environmental Laboratories

NOAA's Pacific ERL offered several general and numerous specific comments on the draft EIS. The specific comments were very detailed and primarily editorial in nature, and therefore, will not be listed in the summary. The complete text of all NOAA supplementary comments is attached to this summary. General ERL comments included the following.

1. Background data in the EIS is too general. [The programmatic EIS attempts to portray a general categorization of unique and essential components of the natural marine and coastal environments. The emphasis is, of necessity, not on detail. The tract-specific EIS remains the primary vehicle for detailed description and analysis of potential impacts of OCS lease activities.]
2. The EIS should expand its discussion of planned baseline data gathering and environmental research as means of filling acknowledged data gaps. [This strategy is, of course, the main thrust of the environmental studies program.]
3. ERL questions the extrapolation of Gulf of Mexico environmental data to predict effects of OCS leasing activities in other geographic regions. [This is a valid criticism. Where predictive assumptions of this nature were made in the FES, the Bureau has attempted to qualify its discussion.]
4. ERL questions the plausibility of leasing ten million acres in an environmentally acceptable manner. [This former program proposal has, of course, been modified.]

5. The current paucity of environmental baseline information for many OCS areas makes all but the most catastrophic leasing impacts virtually impossible to detect. [The accumulation of useful background data does not cease with the completion of the 'baseline' study phase. Comparative data is obtained during the lease monitoring phase as well. The environmental studies program is well under way, with baseline work already completed in the MAFLA, South Texas, and northeast Gulf of Alaska OCS regions.]

NOAA-Environmental Data Service (EDS)

EDS submitted a list of seven editorial suggestions. These will not be listed in the summary, but may be referenced in the NOAA attachments.

NOAA-Associate Administrator for Marine Resources

The following two points were stressed in this transmittal.

1. Present marine environmental knowledge is insufficient to permit a valid assessment of the potential impacts of OCS resource development. [This fact led to the formulation of the Bureau's environmental studies program.]
2. The EIS should give more extensive treatment to potential onshore impacts and multiple-use conflicts arising from OCS resource development. [The EIS discussion concerning both

onshore and offshore impacts has been significantly revised and expanded.]

NOAA-Office of Coastal Zone Management

OCZM submitted several pages of substantial comment on the DES. The following points were highlighted in their transmittal.

1. The DES discussion of onshore socio-economic implications of OCS leasing is inadequate in both scope and detail [As stated previously, the Bureau has significantly expanded its discussion of potential onshore impacts. It was considered nearly impossible to examine in detail the socio-economic impacts that would occur in all parts of the country where drilling might take place as a result of accelerated leasing. Instead, information was presented on the amount of manpower needed for different phases of operations (rig fabrication, The pipelaying, platform maintenance, onshore pumping and separating facilities, and refineries), duration of these phases, and effects on air and water quality. Then two types of areas were considered (high and low industrialization) in relation to their respective abilities to absorb the additional manpower burdens and ancillary impacts on community infrastructure. While this treatment is generic in nature, it points out the kinds of impacts that can occur in certain areas, although not necessarily quantifying them.]

2. Data from the Council on Environmental Quality's Environmental Assessment of OCS Oil and Gas were not properly treated in the DES. [Again, the entire socio-economic discussion has been significantly revised and expanded. Many of the conclusions of the CEQ report are more extensively used, or supplementary material is added for geographic areas which CEQ did not examine.]
3. The EIS understated the role of the Coastal Zone Management Act (1972) as a vehicle for orderly OCS related onshore development. [While this act is powerful in scope and intent, and significant progress has been made in developing individual coastal state CZM programs, it was felt that the implementation and ramifications of CZMA were in sufficient flux that detailed EIS descriptions would either be extremely lengthy and/or quickly outdated. Therefore, the final EIS only addresses the broad scope of the Act. The significant fact, as pointed out by NOAA, is that most, if not all, States generally agree that coastal zone planning should be completed by 1977. It will take at least until then, and in most cases much longer, for the first significant effects of OCS operations to be felt in frontier areas.]

4. OCZM sees the need to develop the Nation's OCS energy resources but feel this should occur under conditions that encourage early State and local government involvement in the development of Federal OCS policy. State and local planners should be given a timely indication of industry's onshore intentions and offshore resource data as they become known. [The Bureau feels that these State needs will be largely met by implementation of the newly proposed USGS regulations concerning industry data submissions (F.R., Sept. 15, 1975)]
5. Emphasis must be placed on the implementation of effective environmental safeguards during OCS development. [This sentiment underscores one of the primary concerns and obligations of the Department of the Interior in its management of the OCS leasing program.]

Additional OCZM comment criticizes statements in the EIS which imply positive effects of OCS oil and gas activities on Gulf of Mexico fisheries. The Bureau agrees that these correlations may be tenuous.

2287

ATTACHEMENTS

2298

STATE OF DELAWARE
EXECUTIVE DEPARTMENT
DOVER

WMAN W. THIBBITT
GOVERNOR

August 8, 1975

The Honorable Russell W. Peterson
Chairman
Council on Environmental Quality
722 Jackson Place, N.W.
Washington, D.C. 20006

Dear Russ:

The purpose of this letter is to inform you of what I consider to be a serious error in the Final Environmental Statement of the U.S. Department of the Interior, concerning the proposed increase in oil and gas leasing on the Outer Continental Shelf. My primary concern deals with the omission from the report of testimony submitted by the State of Delaware in response to the preliminary Environmental Impact Statement. I am enclosing copies of testimony that I submitted to the Department of the Interior, as Acting Chairman of the Mid-Atlantic Governors Coastal Resources Council, and a copy of testimony submitted by State Planner David R. Keifer, on behalf of the State of Delaware.

Perhaps even more significant than the omission of the testimony are the statements on Page 244 of Volume III. The indication is that "none of the Governors provided any specific detailed information". It is my feeling that the position paper of the Mid-Atlantic Governors Coastal Resources Council does constitute a specific set of proposals.

I would hope that by bringing this problem to your attention, the erroneous impression created by the statements on Page 244 of Volume III, of the final Environmental Impact Statement, could be corrected, and that the position of the Mid-Atlantic Governors Coastal Resources Council and the State of Delaware could be made a part of the record. Furthermore,

The Honorable Russell W. Peterson.

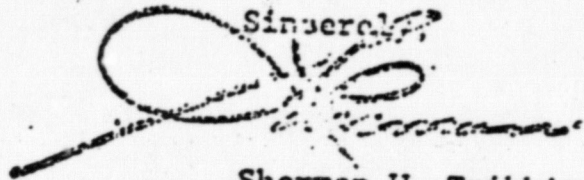
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August 8, 1975

2299

I would hope that testimony delivered on behalf of the State of Delaware will be given due consideration in the course of the decision making process.

Sincerely,



Sherman W. Tribbitt
Governor

Enclosures

cc: The Honorable Brendan T. Byrne
The Honorable Hugh L. Carey
The Honorable Mills E. Godwin, Jr.
The Honorable Marvin Mandel
The Honorable Royston C. Hughes
Mr. Curt Berklund

perhaps even more significant than the omission of



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

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0.732

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August 29, 1975

Honorable Sherman W. Tribbitt
Governor of Delaware
Dover, Delaware 19901

Dear Governor Tribbitt:

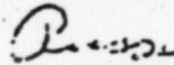
Thank you for your recent letter regarding the Department of the Interior's Final Environmental Impact Statement, Proposed Increase in Oil and Gas Leasing on the Outer Continental Shelf. The Bureau of Land Management (BLM) informs me that as a matter of practice they do not include written copies of testimony submitted at public hearings in their impact statements. Rather, they try to summarize the testimony on an issue basis and discuss the different views presented at the hearings. Views submitted in writing to BLM are included in the final environmental impact statement. Please note that two letters from the State of Delaware were included beginning on page 711 of Volume II of the three-volume impact statement: one from Mr. Ronald A. Thomas, Archeology Supervisor, and one from Mr. Robert R. Jordon, State Geologist. Mr. Jordon's testimony, because it was enclosed with his letter, is reprinted in that volume. Following his letter and testimony, summaries of comments received from the State of Delaware's Division of Historical and Cultural Affairs and Delaware's Geological Survey are given on pages 716 and 717.

With respect to the statement on page 244 of Volume III, BLM assures me that this should be interpreted to mean that none of the governors provided any specific detailed information with respect to strict environmental and safety regulations. This follows from the sentence before the one you quoted. While your testimony clearly is helpful in setting broad policy objectives and guidelines, I believe BLM was correct in stating that it contained no specific detailed information concerning strict environmental and safety regulations.

The Department of the Interior has recognized the importance of this impact statement and the issue it addresses. It, therefore, has decided to solicit comments for a period of 60 days subsequent to the July 11, 1976 filing with the Council on Environmental Quality. These comments along with the final environmental impact statement will be submitted to the Secretary in their entirety as a supplemental issue paper for a final decision. Thus, I can assure you that the testimony given on behalf of the Mid-Atlantic Governors Coastal Resources Council and also on behalf of the State of Delaware will be given proper consideration.

I appreciate your bringing this problem to my attention and I trust that this represents a satisfactory resolution.

Sincerely,



Russell W. Peterson
Chairman

cc: The Honorable Brendan T. Byrne
The Honorable Hugh L. Carey
The Honorable Mills E. Godwin, Jr.
The Honorable Royston C. Hughes
Mr. Curt Berklund

BEST COPY AVAILABLE

POLICY POSITION ON ENERGY AND THE ATLANTIC CONTINENTAL SHELF

We, the undersigned Governors, adopt the following policy positions in order to alleviate the nation's energy problems, improve the management of the nation's natural resources, and ensure that those resources are developed in accordance with local state, regional and national requirements for a healthful environment, a sound economy and adequate supplies of energy for homes, jobs, and businesses at reasonable costs. We intend these principles and recommendations to apply no matter what the outcome of United States v. Maine.

It is necessary for Atlantic Coastal Governors to take this step in concert because of the absence of federal cooperation with the states in decisions and because of possible state responsibility as a result of favorable Court Action in United States v. Maine on the leasing, exploration, and production of energy resources of frontier areas off the Atlantic Continental Shelf. It is our intent to continue our cooperation, and work together to give our states and local governments an effective role in the development of national energy policy and in the management of Atlantic shelf oil resources.

Recognizing that the recommendations made here involve the nation as a whole and all the individual states, it is our intent to offer these recommendations for adoption by the National

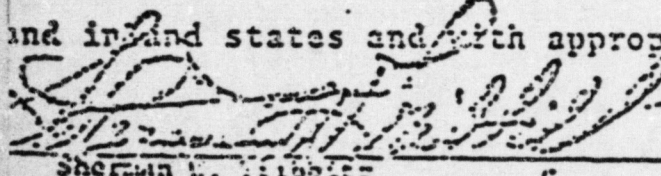
Governors' Conference, and to bring them forcefully to the attention of the United States Congress and the Federal Executive Branch:

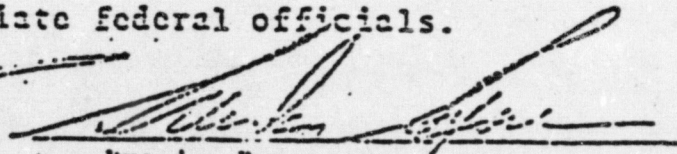
1. Proposals for the use of continental shelf energy resources must flow from and be reviewed in light of a comprehensive, balanced energy policy. The nation's energy policy should be truly national and should be developed and implemented in partnership with the states, with full and early opportunity for public review and comment.
2. The continental shelf is a great public natural resource. It should be managed with scrupulous care to ensure the long term productivity of all its resources and to protect the rights of the public. Whoever may be allowed to explore or develop continental shelf resources must be a faithful agent for the public.
3. The federal government and the states should cooperate in continental shelf decision making. They should recognize that the unique regional characteristics within the Atlantic coast and other offshore regions may require variations in certain aspects of policy formulation. The decisional systems should assure full consideration to environmental, energy and economic issues. Appropriate regional and site-specific environmental impact statements should precede decisions.
4. There is a public interest in prompt exploration to test the presence of such energy resources as may exist on the continental shelf. We would recommend an appropriate exploration program separate from decisions to develop or otherwise commercially exploit such resources as may be discovered so long as the exploratory program provided for governmental control, disclosure of resource information to regulatory authorities and strict state and federal environmental safeguards. Indeed, we believe that such an exploratory program should be promptly initiated. Appropriate means should be selected to implement the exploratory program, upon consideration of all feasible alternatives.
5. Decisions on the development and production of any resources discovered by the exploration program should reflect thorough assessments of the probable energy benefits, the positive and negative economic effects, the probable social and environmental impacts, and the commercial value of the public's resources. All probable net adverse budgetary impacts of development should be identified as well as costs of preparation for clean-up of oil spills, and the costs of removal, conversion, or

rehabilitation of onshore installations. Compensation for net adverse impacts should be statutorily assured, and distributed by an appropriate formula.

1. In order to prevent unacceptable damage to the environment or economy of a state affected by exploration, development or production of energy resources each state promptly should provide for timely planning to avoid adverse impacts, including full and adequate federal funding of the Coastal Zone Management Act to permit prompt completion of coastal zone plans.
2. The oil and gas industry should submit long range plans for onshore facilities, and for their eventual conversion or removal, including an assessment of the life expectancy of such facilities and the markets which would be served by them.
3. Persons, businesses, states and local governments directly or indirectly affected by an oil spill or discharge should be statutorily assured of compensation without proof of fault or negligence. Such assurances should include a realistically large no-fault liability fund.
4. The states should dedicate adequate personnel to continued expansion of their planning and policy capabilities with respect to ecological, economic, land use and social aspects of coastal zone management with adequate consideration given to potential continental shelf issues.
5. The foregoing principles and recommendations should apply regardless of the outcome of U.S. v. Maine. Pending decision of that case, the written agreements regarding the Atlantic shelf reached between the Solicitor of the U.S. Department of the Interior and the common counsel states in December 1971 should be observed scrupulously.

We, the undersigned, intend to work together and with our State Congressional delegations, to carry out the foregoing principles. To that end, we will communicate with Governors of other coastal and inland states and with appropriate federal officials.


Sherman E. Silber
Governor of Delaware


Brendan Byrne
Governor of New Jersey



State of Maine
Executive Department
State Planning Office
164 State Street, Augusta, ME 04333

2305

LONGLEY
JON

FEASE
PLANNING DIRECTOR

TEL. (207) 285-3261

September 9, 1975

Curt Berklund, Director
Bureau of Land Management
Department of the Interior
Washington, D. C. 20240

Mr. Berklund:

The purpose of this letter is to register the State of Maine's objection to the use of the Final Environmental Statement ("the Statement") on the Proposed Increase in Oil and Gas Leasing on the Outer Continental Shelf (FES 75) as a decision-making document for an accelerated leasing program under the provisions of Section 102(c) of the National Environmental Policy Act (NEPA). Although major changes have been made in the Statement since it was issued in draft form, the Statement still does not contain an adequate discussion of the environmental impacts of the proposed action and its alternatives.

In our view, the major deficiencies of the Statement are:

- (1) Accelerated offshore oil and gas development is not discussed in the context of a comprehensive national energy policy and plan demonstrating the need for such development. The effect of this deficiency is to make the discussion of alternatives to the proposed action purely hypothetical, since none of the alternatives by itself could satisfy the nation's energy needs. To properly discuss the impacts of the accelerated program and its alternatives, several different energy alternatives, some containing an accelerated program and some not, would have to be evaluated.
- (2) The alternative of energy conservation is not adequately considered. A brief discussion is presented of some of the hypotheses of the Ford Foundation Energy Policy Project, A Time to Choose, a discussion which could encourage the reader to consider energy conservation as a viable alternative, but no conclusions are reached. And, to be meaningful, the energy conservation alternative should be discussed in the context of an overall energy policy and plan, which it is not.
- (3) The environmental consequences on the nation's marine resources are insufficiently analyzed in the Statement. The impact analysis on fisheries resources is brief and inconclusive, without serious findings one way or the other by the Federal agencies charged with fisheries management. The

September 9, 1975

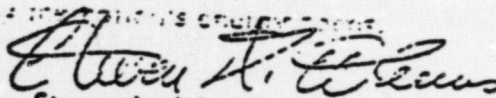
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data presented on the ecological systems of the offshore and nearshore environment is scant, and no conclusive findings that would affect the decision on the program are included. An assessment of the hazards of drilling in various offshore areas is not developed fully.

- (4) The onshore impacts of offshore oil and gas development are not analyzed adequately. Scenarios of onshore development, including secondary development generated by oil and gas exploration production, transportation and processing activities need to be analyzed, keyed to estimates of offshore oil and gas resources. Regional and aggregate onshore consequences should be incorporated into the analysis with a comparison of those consequences against those of other energy options, but this is not accomplished in the Statement.
- (5) An analysis of the relative environmental risks of offshore oil and gas development in different regions is not presented. This is a critical omission necessary to make a decision about what areas, if any, should be developed in what order. An effective relative evaluation would include both marine and onshore consequences.

In sum, the Final Environmental Statement retains many of the debilitating deficiencies of the draft statement. It does not appear to satisfy the requirements of NEPA and it is not a suitable public policy decision-making document. We recommend a major revision and expansion, with particular attention to the foregoing points, as the appropriate response. We would further advocate the recirculation of a significantly improved statement in draft form. Based on the scope of improvements needed, the statement should be reissued as a draft.

Sincerely,



Steven L. Weems
Staff Coordinator
Advisory Committee on Coastal
Development and Conservation

W:mc



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL
Dover, Delaware 19901
March 1, 1975

2307

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United States Department of the Interior
Bureau of Land Management
Washington, D. C. 20240

Gentlemen:

Please add page 4 (attached herewith) containing the names of the Governors who have adopted and signed the Mid Atlantic Governors Resources Council Policy Position on Energy and the Atlantic Continental Shelf to the copy of the paper I delivered on Tuesday, February 11, 1975.

Thank you.

Sincerely,

John C. Bryson
John C. Bryson
Secretary

JCB:m

enclosure

ELLA T. GRASSO
Governor of Connecticut

SHERMAN W. TRIBBITT
Governor of Delaware

MARVIN MANDEL
Governor of Maryland

MICHAEL S. DUKAKIS
Governor of Massachusetts

BRENDAN T. BYRNE
Governor of New Jersey

PHILIP W. NOEL
Governor of Rhode Island

MILLS S. GODWIN, JR.
Governor of Virginia

W.S. 5
J. S. [unclear]
DELAWARE

SHERMAN W. TRIBBITT
GOVERNOR

IRENE E. SHADDAM
Press Secretary

2309

2/10/75

FOR IMMEDIATE RELEASE

in Bryson for 7

Governor Sherman W. Tribbitt has today signed the Policy Position on Energy and the Atlantic Continental Shelf. This policy position has been signed by Governor Brendan Byrne, of New Jersey, as well as Governor Mills Godwin, of Virginia, and Governor Marvin Mandel, of Maryland....which represents all of the Governors in the Mid Atlantic Governors' Resources Council.

It is made available for the information of the media.

#

POLICY POSITION ON ENERGY AND THE ATLANTIC CONTINENTAL SHELF

We, the undersigned Governors, adopt the following policy positions in order to alleviate the nation's energy problems, improve the management of the nation's natural resources, and ensure that those resources are developed in accordance with local, state, regional and national requirements for a healthful environment, a sound economy and adequate supplies of energy for homes, jobs, and businesses at reasonable costs. We intend these principles and recommendations to apply no matter what the outcome of United States v. Maine.

It is necessary for Atlantic Coastal Governors to take this step in concert because of the absence of federal cooperation with the states in decisions and because of possible state responsibilities as a result of favorable Court Action in United States v. Maine on the leasing, exploration, and production of energy resources of frontier areas of the Atlantic Continental Shelf. It is our intent to continue our cooperation, and work together to give our states and local governments an effective role in the development of national energy policy and in the management of Atlantic shelf oil resources.

Recognizing that the recommendations made here involve the nation as a whole and all the individual states, it is our intent to offer these recommendations for adoption by the National

Governors' Conference, and to bring them forcefully to the **2311** attention of the United States Congress and the Federal Executive Branch:

1. Proposals for the use of continental shelf energy resources must flow from and be reviewed in light of a comprehensive, balanced energy policy. The nation's energy policy should be truly national and should be developed and implemented in partnership with the states, with full and early opportunity for public review and comment.
2. The continental shelf is a great public natural resource. It should be managed with scrupulous care to ensure the long term productivity of all its resources and to protect the rights of the public. Whoever may be allowed to explore or develop continental shelf resources must be a faithful agent for the public.
3. The federal government and the states should cooperate in continental shelf decision making. They should recognize that the unique regional characteristics within the Atlantic coast and other offshore regions may require variations in certain aspects of policy formulation. The decisional systems should assure full consideration to environmental, energy and economic issues. Appropriate regional and site-specific environmental impact statements should precede decisions.
4. There is a public interest in prompt exploration to test the presence of such energy resources as may exist on the continental shelf. We would recommend an appropriate exploration program separate from decisions to develop or otherwise commercially exploit such resources as may be discovered so long as the exploratory program provided for governmental control, disclosure of resource information to regulatory authorities and strict state and federal environmental safeguards. Indeed, we believe that such an exploratory program should be promptly initiated. Appropriate means should be selected to implement the exploratory program, upon consideration of all feasible alternatives.
5. Decisions on the development and production of any resources discovered by the exploration program should reflect thorough assessments of the probable energy benefits, the positive and negative economic effects, the probable social and environmental impacts, and the commercial value of the public's resources. All probable net adverse budgetary impacts of development should be identified as well as costs of preparation for clean-up of oil spills, and the costs of removal, conversion, or

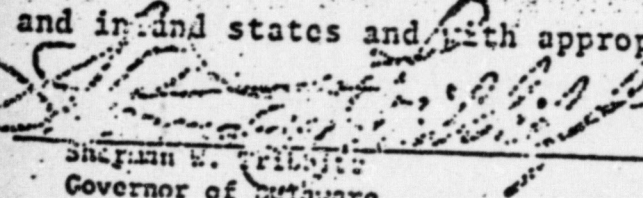
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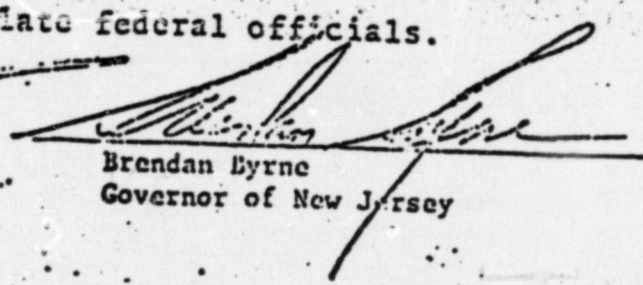
2312 rehabilitation of onshore installations. Compensation for net adverse impacts should be statutorily assured, and distributed by an appropriate formula.

6. In order to prevent unacceptable damage to the environment or economy of a state affected by exploration, development or production of energy resources each state promptly should provide for timely planning to avoid adverse impacts, including full and adequate federal funding of the Coastal Zone Management Act to permit prompt completion of coastal zone plans.
7. The oil and gas industry should submit long range plans for onshore facilities, and for their eventual conversion or removal, including an assessment of the life expectancy of such facilities and the markets which would be served by them.
8. Persons, businesses, states and local governments directly or indirectly affected by an oil spill or discharge should be statutorily assured of compensation without proof of fault or negligence. Such assurances should include a realistically large no-fault liability fund.
9. The states should dedicate adequate personnel to continued expansion of their planning and policy capabilities with respect to ecological, economic, land use and social aspects of coastal zone management with adequate consideration given to potential continental shelf issues.
10. The foregoing principles and recommendations should apply regardless of the outcome of U.S. v. Maine. Pending decision of that case, the written agreements regarding the Atlantic shelf reached between the Solicitor of the U. S. Department of the Interior and the common counsel states in December 1971 should be observed scrupulously.

We, the undersigned, intend to work together and with our State Congressional delegations, to carry out the foregoing principles.

To that end, we will communicate with Governors of other coastal and inland states and with appropriate federal officials.


Sherman E. Tribbitt
Governor of Delaware


Brendan Byrne
Governor of New Jersey

TRENTON HEARING
BLM 2/11/75
DAVID R. KEIFER

I WOULD LIKE TO BEGIN BY REGISTERING THE COMPLAINT OF THE STATE OF DELAWARE TO THE PROCESS BY WHICH THE DEPARTMENT OF THE INTERIOR IS ATTEMPTING TO LEASE LANDS ON THE ATLANTIC CONTINENTAL SHELF. AS YOU WILL RECALL THE DEFENDANT PARTIES IN U. S. v MAINE et al REACHED AN AGREEMENT WITH THE DEPARTMENT OF THE INTERIOR IN DECEMBER OF 1971 THAT, ABSENT AGREEMENT OR ARRANGEMENT TO THE CONTRARY, THE UNITED STATES WOULD TAKE NO ACTION TOWARD LEASING PROCEDURES WITH RESPECT TO THE ATLANTIC CONTINENTAL SHELF PRIOR TO THE ADJUDICATION BY THE SUPREME COURT OF U. S. v MAINE. THIS ASSURANCE INCLUDED UNDERSTANDING NOT TO CALL FOR OR TO ACT UPON NOMINATIONS OF POSSIBLE LEASED AREAS; NOT TO CALL FOR OR TO ISSUE DRAFTS OF ENVIRONMENTAL IMPACT STATEMENTS RELATED TO PROPOSED LEASEHOLD AREAS; NOT TO HOLD ANY HEARINGS WITH RESPECT TO PROPOSED LEASEHOLD AREAS; AND GENERALLY, NOT TO TAKE ANY ACTION WHICH, IN THE COURSE OF PROCEEDINGS NORMALLY FOLLOWED BY THE UNITED STATES IN MOVING TOWARD LEASING, IS TAKEN SUBSEQUENTLY TO THE CALL FOR NOMINATIONS. IN A LETTER DATED DECEMBER 31, 1971, THE SOLICITOR FOR THE DEPARTMENT OF THE INTERIOR INDICATED THAT THE UNITED STATES WOULD NOT ENGAGE IN "FORMAL PRE-LEASING PROCEDURES" LEADING TO A CALL FOR NOMINATIONS.

SINCE THIS PUBLIC HEARING IS REQUIRED BY THE NATIONAL ENVIRONMENTAL POLICY ACT AS A CONDITION TO INCREASING THE ACREAGE OF CONTINENTAL SHELF LEASEHOLDS, WE CAN COME TO NO OTHER CONCLUSION THAN THAT THIS IS A "FORMAL PRE-LEASING PROCEDURE" WHICH WE WERE ASSURED WOULD NOT TAKE PLACE UNTIL THE JURISDICTIONAL QUESTION WAS RESOLVED. GENTLEMEN, YOU ARE NOT LIVING UP TO YOUR END OF THE BARGAIN. MOREOVER, THE APPARENT URGENCY WITH WHICH THE FEDERAL GOVERNMENT IS ATTEMPTING TO LEASE LANDS ON THE CONTINENTAL SHELF APPEARS TO US TO BE A BLATANT ATTEMPT TO SUBVERT THE LETTER AND INTENT OF

THE COASTAL ZONE MANAGEMENT ACT OF 1972. IT IS THE CONTENTION OF THE DEPARTMENT OF THE INTERIOR THAT, SINCE ACTUAL PRODUCTION OF OIL AND GAS ON THE CONTINENTAL SHELF IS AT LEAST FIVE YEARS AWAY, THERE IS PLENTY OF TIME TO IMPLEMENT STATE COASTAL ZONE MANAGEMENT PROGRAMS. THE PRIVATE SECTOR, HOWEVER, WILL NOT WAIT FIVE YEARS TO PURCHASE LAND AND TO BEGIN GEARING UP FOR PRODUCTION. THIS PROCESS HAS ALREADY BEGUN, BUT WILL ACCELERATE ONCE THE LEASING DECISIONS ARE MADE. WITHOUT COASTAL ZONE MANAGEMENT PROGRAMS IN EFFECT AT THE TIME OF LEASING, THE STATES WILL BE UNABLE TO EFFECTIVELY GUIDE COASTAL DEVELOPMENT; RATHER THE OIL INDUSTRY WILL BE MAKING MANY OF THESE DECISIONS FOR US ON A PIECEMEAL BASIS. INSTEAD OF MANAGING OUR COASTAL AREAS WE WILL BE PLAYING A CONSTANT GAME OF CATCH-UP. THIS SITUATION IS UNACCEPTABLE TO DELAWARE.

FURTHERMORE, THE STATES HAVE BEEN REPEATEDLY ASSURED BY SECRETARY MORTON AND OTHER HIGH INTERIOR OFFICIALS THAT THEY WOULD BE INVOLVED IN THE LEASING PROCESS. THIS INVOLVEMENT, HOWEVER, HAS NOT COME TO PASS. THE FEDERAL GOVERNMENT WILL SHORTLY BE MAKING DECISIONS TO LEASE THE ATLANTIC CONTINENTAL SHELF WITHOUT EVEN THE SLIGHTEST MEANINGFUL INPUT FROM THE COASTAL STATES WHICH WILL SO PROFOUNDLY BE AFFECTED BY THESE ACTIONS.

THE INTERIOR DEPARTMENT SHOULD BEAR THE ALASKA PIPELINE SITUATION IN MIND AND THE CONSEQUENCES THAT RESULTED FROM ATTEMPTS TO SHORTEN ESTABLISHED PROCEDURES AND SKIRT THE LAW. DELAWARE WISHES TO COOPERATE WITH THE FEDERAL GOVERNMENT IN THIS MATTER BUT WE CANNOT TOLERATE HAVING THIS IMPORTANT DECISION RANDED DOWN OUR THROATS IN THIS MANNER.

DELAWARE'S SPECIFIC COMMENTS REGARDING THE DRAFT ENVIRONMENTAL IMPACT STATEMENT RELATE TO FIVE MAJOR, INTERRELATED AREAS OF CONCERN. THESE FIVE AREAS ARE: (1) THE CONCEPT ITSELF, (2) THE SYSTEM OF LEASING, (3) ON SHORE IMPACT, (4) THE NEED FOR TECHNICAL DATA, AND (5) JURISDICTIONAL CONCERNS.

THE CONCEPT ITSELF

WE QUESTION WHETHER THE POLICY -- THAT IS, THE LEASE OF TEN MILLION ACRES ON THE CONTINENTAL SHELF -- IS SOUND IN THE ABSENCE OF A NATIONAL ENERGY POLICY OR PROGRAM. WILL THE SUSPECTED OIL AND GAS RESOURCES BE OF SUFFICIENT MAGNITUDE TO JUSTIFY SUCH A VENTURE? INASMUCH AS OIL IS A SO-CALLED "SWING FUEL", DESTINED FOR A RELATIVELY SHORT EXISTENCE AS A PRINCIPAL SOURCE OF ENERGY, A TEMPORARY REDUCTION OF ENERGY NEEDS MAY NOT BE AN EQUITABLE EXCHANGE FOR PERMANENT EFFECTS ON THE ENVIRONMENT, ECONOMY, AND SOCIAL STRUCTURE OF IMPACTED AREAS.

AT THIS EARLY STAGE OF EXAMINATION, THE CONTINENTAL SHELF POTENTIAL SHOULD BE VIEWED AS ONLY ONE ALTERNATIVE TO THE NATION'S DEPENDENCE ON FOREIGN OIL RESOURCES. THE ENVIRONMENTAL IMPACT STATEMENT TREATS OTHER ENERGY ALTERNATIVES SO INADEQUATELY THAT NO INTELLIGENT COMPARISON OF ALTERNATIVE ENERGY SOURCES TO OUTER CONTINENTAL SHELF DEVELOPMENT CAN BE MADE. TO OUR KNOWLEDGE NO STUDY HAS BEEN MADE TO RANK CONTINENTAL SHELF DEVELOPMENT WITHIN THE FRAMEWORK OF A LARGER NATIONAL ENERGY POLICY. NOR HAS ANY DETERMINATION BEEN MADE OF THE LENGTH OF TIME CONTINENTAL SHELF RESOURCES WILL LAST. THESE ARE GLARING ERRORS IN THE STATEMENT. CONSEQUENTLY, WE DO NOT BELIEVE THE DRAFT STATEMENT CONVINCINGLY SHOWS THAT THE LEASING OF TEN MILLION ACRES IN 1975 IS A VIABLE ACTION.

THE SYSTEM OF LEASING

UNTIL SUCH TIME AS A NATIONAL ENERGY POLICY IS DEVELOPED TO PRIORITIZE OUTER CONTINENTAL SHELF RESOURCE DEVELOPMENT OVER ALL OTHER ALTERNATIVES, OPERATIONS ON THE CONTINENTAL SHELF SHOULD BE RESTRICTED TO EXPLORATION ONLY. IT IS SURPRISING THAT SINCE THE DRAFT ENVIRONMENTAL IMPACT STATEMENT IS IN ESSENCE A POLICY PROPOSAL FOR AN INCREASE IN ACRES TO BE LEASED, THAT

MINIMAL ATTENTION HAS BEEN GIVEN TO THE PROS AND CONS OF ALTERNATIVE CONTINENTAL SHELF EXPLORATORY PROGRAMS, PARTICULARLY IN REGARD TO ALTERNATIVE LEASING SCHEMES. FOR EXAMPLE, ON PAGES 410 AND 411 OF VOLUME 2, THE "EXPLORATION" CONCEPT IS DISCUSSED ONLY BRIEFLY. THE DRAFT EIS DOES MAKE A FLEETING MENTION OF THE POSSIBILITY OF SEPARATING EXPLORATION ACTIVITIES BY THE GRANTING OF EXPLORATORY OIL AND GAS LEASES. SURELY, THIS DESERVES MORE CONSIDERATION. THE ALTERNATIVE LEASING SCHEME DOES HAVE MUCH MERIT AND SHOULD HAVE BEEN THOROUGHLY EXAMINED.

IN ADDITION, THE STATE OF DELAWARE STRONGLY RECOMMENDS THAT EXPLORATION AND DEVELOPMENT OF THE EXTENT OF CONTINENTAL SHELF OIL AND GAS RESOURCES BE CARRIED OUT SEPARATE AND APART FROM ANY SUBSEQUENT DEVELOPMENT PHASE. THERE IS NO DOUBT THAT BY FOLLOWING THIS COURSE OF ACTION THE RECOVERY OF RESOURCES WILL BE UNNECESSARILY DELAYED OR OTHERWISE IMPAIRED. HOWEVER, IT WILL PROVIDE DELAWARE AND THE OTHER STATES THE OPPORTUNITY TO CARRY OUT ADEQUATE RESEARCH - RESEARCH THAT WILL ALLOW THE STATE AND ITS PEOPLE TO ASSESS THE POTENTIAL ENVIRONMENTAL, ECONOMIC, AND SOCIAL IMPACT WHICH WILL ACCOMPANY CONTINENTAL SHELF DEVELOPMENT.

THE MORE EFFECT OF CONTINENTAL SHELF EXPLORATION AND EXTRACTION (WHICH WILL BEGIN TO OCCUR RAPIDLY ONCE OIL AND GAS DEPOSITS ARE FOUND) IS REVEALED IN THIS REPORT WITH A HALF DOZEN PAGE GLOSS-OVER. PAGE 233, OF VOLUME 2, STATES THAT "HIGH CONTINENTAL SHELF DEVELOPMENT IN THE MID-ATLANTIC REGION COULD COVER 21 PERCENT OF THE SUITABLE DEVELOPABLE LAND AND THIS PERCENTAGE COULD INCREASE FURTHER IF SUBURBAN DEVELOPMENT AND YET UNKNOWN ENVIRONMENTAL FACTORS WERE CONSIDERED". THIS PROFOUNDLY SIGNIFICANTLY REVELATION, WHEN TAKEN INTO ACCOUNT, WOULD MORE THAN SUBSTANTIATE JUSTIFICATION FOR COLLATERAL LAND USE

PLANNING EFFORTS WITH CONTINENTAL SHELF DEVELOPMENT.

FOR EXAMPLE, THE NATIONAL ENVIRONMENTAL POLICY ACT AND THE COASTAL ZONE MANAGEMENT ACT ARE TWO SIGNIFICANT EFFORTS TO ACHIEVE BALANCED LAND USE AND ENVIRONMENTAL PROTECTION. SHOULD NOT THESE (AS WELL AS OTHER) PLANNING ENDEAVORS BE COORDINATED IN SOME COHERENT WAY WITH CONTINENTAL SHELF DEVELOPMENT? SHOULD NOT COASTAL STATES BE GIVEN A REASONABLE TIME TO DEVELOP THEIR INDIVIDUAL COASTAL ZONE MANAGEMENT PLANS TO SEE IF THEY CAN REASONABLY ACCOMMODATE THE DEMANDS OF OFFSHORE OIL AND GAS DEVELOPMENT? OBVIOUSLY, CONTINENTAL SHELF OPERATIONS WILL AFFECT COASTAL ZONE LAND USE, BUT THE HOW AND HOW MUCH ARE VIRTUALLY UNKNOWN FACTORS.

WE ARE ADAMANT IN OUR VIEW THAT THE ENVIRONMENTAL, ECONOMIC, SOCIOLOGICAL, AND OTHER ON SHORE IMPACTS GENERATED BY CONTINENTAL SHELF DEVELOPMENT MUST BE LOOKED AT IN MUCH GREATER DETAIL BEFORE CONTINENTAL LEASING OPERATIONS BEGIN, AND THAT DELAWARE AS WELL AS OTHER STATES BE GIVEN A REASONABLE TIME TO ASSIMILATE THESE POTENTIAL EFFECTS INTO THEIR COASTAL ZONE MANAGEMENT AND OTHER LONG RANGE PLANNING PROGRAMS.

FOR EXAMPLE, A RECENT TEXAS STUDY, "BENEFITS AND COSTS TO STATE AND LOCAL GOVERNMENTS IN TEXAS - RESULTING FROM OFFSHORE PETROLEUM LEASES ON FEDERAL LANDS", ESTIMATES THAT THERE WOULD BE AN ANNUAL NET COST TO THE STATE AND LOCAL GOVERNMENTS OF \$62.1 MILLION IN PROVIDING PUBLIC SERVICES. THIS FIGURE WAS DERIVED FROM A TOTAL COST OF \$111 MILLION TO PROVIDE SERVICES TO THE EMPLOYEES AND DEPENDENTS ATTRACTED BY THE OFFSHORE LEASES, THE DIFFERENCE BEING SOME \$48.9 MILLION IN REVENUES GENERATED.

OTHER STATES POTENTIALLY AFFECTED BY CONTINENTAL SHELF DEVELOPMENT SHOULD BE ENTITLED TO AT LEAST A CURSORY EXAMINATION OF SUCH POTENTIAL IMPACTS ON THE PUBLIC'S POCKETBOOK.

IN DELAWARE'S CASE, IT IS NOT INCONCEIVABLE THAT ON SHORE DIRECT AND

INDIRECT ACTIVITIES TO SUPPORT MAJOR OFFSHORE OIL AND GAS OPERATIONS COULD INCREASE THE STATE'S POPULATION BY 50 PERCENT, A SITUATION THAT BOGGLES THE MIND.

ON SHORE IMPACT QUESTIONS THAT ARE GROSSLY IGNORED AND WHICH MUST BE ADDRESSED INCLUDE:

- A. WHAT ARE THE TYPES AND CHARACTERISTICS OF ON SHORE FACILITIES NEEDED TO SUPPORT OFFSHORE OIL AND GAS OPERATIONS?
- B. WHAT ARE SUITABLE SITES FOR THEIR LOCATION?
- C. WHAT TYPES OF SECONDARY AND TERTIARY DEVELOPMENT WILL BE TRIGGERED BY CONTINENTAL SHELF ON SHORE DIRECT SUPPORT FACILITIES?
- D. WHO WOULD PAY FOR THIS SECONDARY DEVELOPMENT? WHAT SHARE WOULD BE BORNE BY THE FEDERAL GOVERNMENT, STATE AND LOCAL GOVERNMENTS, AND THE OIL AND GAS COMPANIES?
- E. WHAT WILL BE THE IMPACT OF THESE DIRECT AND INDIRECT FACILITIES ON OTHER AREAS OF THE STATE? FOR EXAMPLE, HOW WILL THE TOURIST INDUSTRY BE AFFECTED? HOW WILL PROPERTY TAXES BE AFFECTED? HOW WILL IT AFFECT THE ENTIRE REVENUE PRODUCING SYSTEM OF THE STATE AND LOCAL GOVERNMENTS, ETC.?

E NEED FOR TECHNICAL DATA

THE EIS DOES NOT PROVIDE ADEQUATE DOCUMENTATION FOR THE TECHNICAL DATA PRESENTED, OR CONVINCINGLY SHOW ADEQUATE ASSURANCES OF ITS QUALITY. THE EIS ITSELF ADDRESSES THIS CONCERN THROUGHOUT BOTH VOLUMES BY REPEATEDLY KNOWLEDGING THE NEED FOR ADDITIONAL STUDIES.

LEASING AND EXPLORATION OF THE CONTINENTAL SHELF IN THE ABSENCE OF SPECIFIC KNOWLEDGE OF THE AREA INVOLVED IS DANGEROUS. IF ADVERSE IMPACT ESTIMATES ARE BASED ON LIMITED INFORMATION AND LATER ARE FOUND TO BE ERRONEOUS, THE REGION COULD SUFFER IN TWO WAYS - THAT IS - EITHER BY BEING OVERPREPARED OR BY FAILURE TO UTILIZE AN INVALUABLE RESOURCE. FOR EXAMPLE, MAJOR COMPONENT OF ADVERSE IMPACT IS THE POTENTIAL OIL SPILL PROBLEM.

THE DRAFT EIS ASSUMES THAT, BASED ON PREVIOUS EXPERIENCE WITH OFFSHORE OIL DRILLING OPERATIONS, THE CHANCE OF A MAJOR OIL SPILL IS QUITE SMALL. PAGE 307a, VOLUME 2 OF THE STATEMENT ESTIMATES 8,500 BBL/YEAR OF SPILLAGE FROM ALL OPERATIONS BASED ON A SPILLAGE RATE OF 0.0017% OF THE TOTAL PRODUCTION. HOWEVER, THIS RATE IS BASED ON EXPERIENCE IN THE GULF WHERE THE DRILLING HAS TAKEN PLACE IN RELATIVELY SHALLOW WATER. MOST OF THE DRILLING IN THE MID-ATLANTIC CONTINENTAL SHELF WILL TAKE PLACE IN WATER DEPTHS BETWEEN 100 AND 200 METERS AND IN OPEN OCEAN WATER. THEREFORE, IT IS NOT REASONABLE TO EXTRAPOLATE FROM THE GULF EXPERIENCE.

MOREOVER, THE DRAFT EIS ~~DOES NOT GIVE SPECIFIC INFORMATION~~ ABOUT THE GEOLOGY OF THE MID-ATLANTIC CONTINENTAL SHELF. THERE IS NO ASSURANCE THAT A SITUATION SIMILAR TO THE SANTA BARBARA, CALIFORNIA LEAK WILL NOT OCCUR IN THE MID-ATLANTIC AREA. SHOULD NOT THE GEOLOGY BE FULLY EXPLORED BEFORE SUBSTANTIAL MINERAL EXTRACTION TAKES PLACE TO ASSURE PROCEDURES TO PREVENT LEAKAGE THROUGH FISSURES. IT IS INTERESTING TO NOTE THAT RECENT TEST DRILLINGS FOR A NUCLEAR POWER PLANT SITE ON SHORE INDICATED THE PRESENCE OF SOME FAULTING IN THIS AREA.

THE INADEQUACY OF EXISTENT DATA FOR THE BALTIMORE CANYON TROUGH AREA IS FURTHER EMPHASIZED IN THE U. S. GEOLOGICAL SURVEY CIRCULAR #702, WHICH STATES "THE VARIATIONS IN THE WINDS AND WIND STRESS ARE ALSO INADEQUATELY KNOWN TO THE BALTIMORE CANYON TROUGH AREA. THE 1970 COMPENDIUM BY U. S. NAVAL WEATHER SERVICE COMMAND OUTLINES THE RELATIONSHIPS BETWEEN WIND DIRECTION, WIND MAGNITUDE, AND TIME, BUT IT DOES NOT GIVE STATISTICS ON THE FREQUENCY, MAGNITUDE, AND HISTORY OF STORMS OR THE PERSISTENCE OF WINDS FROM VARIOUS DIRECTIONS. MOREOVER, THE BASIC WIND OBSERVATIONS THAT WERE USED IN THIS STUDY ARE PROBABLY BIASED TOWARD LOWER VALUES BECAUSE REPORTING

FACTORS THAT MAY AFFECT OR INFLUENCE THE MOVEMENT AND DISPERSAL OF SPILLED OIL, THE WINDS AND THE CIRCULATION OF WATER ARE INADEQUATELY DEFINED BY THE EXISTENT DATA. THEREFORE, THE MOVEMENT OF POTENTIAL OIL SPILLS IN THIS AREA CANNOT BE RELIABLY PREDICTED."

THEREFORE, IT BECOMES OBVIOUS THAT IN THE ABSENCE OF BETTER AND MORE RELIABLE DATA, ANY ESTIMATE OF ADVERSE IMPACT OF AN OIL SPILL IS MERELY A GUESS, ALBEIT SCIENTIFICALLY DERIVED. IN VIEW OF THIS SITUATION, AND THE LACK OF A SITE SPECIFIC EIS, IT BECOMES VERY DIFFICULT, IF NOT IMPOSSIBLE, TO EVALUATE THE BENEFICIAL ASPECTS OF CONTINENTAL SHELF OIL DEVELOPMENT. A DELIBERATE PROGRAM WOULD DEMAND ADVANCE DATA GATHERING EFFORTS ON WHICH A SITE SPECIFIC EIS COULD BE WRITTEN. FOLLOWING SUCH A REPORT, AND ASSUMING THAT BENEFICIAL ASPECTS OVERRIDE NEGATIVE OR IRREVERSIBLE ASPECTS, DETAILED EXPLORATION COULD PROCEED. IF THE MINERAL WEALTH IS PROVEN AND ADEQUATE TECHNOLOGY IS AVAILABLE TO EXTRACT IT, THEN SUBSTANTIAL LEASING FOR DEVELOPMENT COULD FOLLOW.

JURISDICTIONAL PROBLEMS

FURTHER COMPLICATING THE PROBLEM OF ASSESSING THE ENVIRONMENTAL IMPACT OF CONTINENTAL SHELF DEVELOPMENT IS THE OVERLAPPING AUTHORITY OF THE VARIOUS FEDERAL AGENCIES. AS AN EXAMPLE, THE DRAFT EIS (PAGE 294-VOLUME 2) LISTS 9 FEDERAL AGENCIES HAVING RESPONSIBILITY OR JURISDICTION OVER ALL OR PARTS OF OIL AND GAS PIPELINE INSTALLATION IN COASTAL AREAS. SUCH CONCURRENT JURISDICTION FOR EXAMPLE, CAN DELAY SPEEDY ACTION NECESSARY TO MINIMIZE ADVERSE ENVIRONMENTAL IMPACT IN THE EVENT OF AN OIL SPILL. ONE FEDERAL AGENCY SHOULD BE GIVEN CLEAR AND SUPERIOR JURISDICTION TO ACT PROMPTLY DURING SUCH DISASTERS. SUCH OVERLAPPING JURISDICTION IS ALSO AN INDICATION OF THE LACK OF CLEAR NATIONAL POLICY AND GOALS ON ENERGY.

DELAWARE HAS HAD OIL AND GAS EXPLORATION REGULATIONS SINCE 1971. THESE REGULATIONS WERE BASED ON CONSIDERABLE DISCUSSION WITH OIL PRODUCING STATES SUCH AS TEXAS AND LOUISIANA. THE AMERICAN PETROLEUM INSTITUTE AND INDUSTRIAL REPRESENTATIVES WERE ALSO CONSULTED IN DEVELOPING THESE REGULATIONS. WE BELIEVE THAT ANY CRITERIA FOR DRILLING SHOULD BE AT LEAST EQUAL TO THE REGULATIONS OF THE ADJOINING STATES. FURTHER, THE ADJOINING STATES SHOULD HAVE A PART IN THE DECISION MAKING REGARDING THE CRITERIA FOR DRILLING. ALTHOUGH THIS REQUIREMENT MAY SEEM HARSH, WE FEEL THAT IT IS THE ONLY WAY TO PROTECT OUR ENVIRONMENTAL QUALITY AND NATURAL RESOURCES.

IN CONCLUSION

IT SHOULD BE KEPT IN MIND THAT THE PUSH FOR DEVELOPMENT OF THE CONTINENTAL SHELF CAME IN THE MIDST OF THE ENERGY PANIC OF THIS PAST WINTER. RATIONAL ENERGY DECISIONS CANNOT BE MADE IN SUCH AN ATMOSPHERE. THE ADMINISTRATION'S ENERGY PROGRAM PLACES HEAVY EMPHASIS UPON THE SUPPLY SIDE OF THE ENERGY EQUATION AND ONLY TOKEN EMPHASIS TOWARD EITHER THE REDUCTION OF DEMAND OR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL COSTS.

WE DO NOT FEEL DELAWARE AND OTHER COASTAL STATES SHOULD BEAR THE HEAVY BURDEN OF CONTINENTAL SHELF DEVELOPMENT DECISIONS UNTIL ALL OF THE PERTINENT FACTS AND DATA ARE SPELLED OUT IN DETAIL. DECISIONS TO GRANT OFFSHORE LEASES CANNOT BE MADE IN A VACUUM AND IN A PIECEMEAL FASHION. WE CANNOT CONCERN OURSELVES WITH ON SHORE IMPACTS AT A LATER TIME - FOR SHORT TERM, PIECEMEAL DECISIONS WILL HAVE LONG TERM CONSEQUENCES FOR DELAWARE. WE REJECT YOUR DRAFT ENVIRONMENTAL IMPACT STATEMENT AND THE PROPOSALS IT CONTAINS AS ILL-CONCEIVED, TECHNICALLY DEFICIENT, INADEQUATE FOR THE PURPOSE AND CONTRARY TO THE PUBLIC NEED. MIGHT WE SUGGEST THAT YOU DO YOUR HOMEWORK.

2322

LEFKOWITZ
V GENERAL

STATE OF NEW YORK
DEPARTMENT OF LAW
TWO WORLD TRADE CENTER
NEW YORK, N.Y. 10047
TELEPHONE: 488-7567

PHILIP WEINBERG
ASSISTANT ATTORNEY GENERAL
IN CHARGE OF
ENVIRONMENTAL PROTECTION
BUREAU

September 8, 1975

Director
Bureau of Land Management
U.S. Department of the Interior
Washington, D.C. 20240

Re: "Final Environmental State-
ment - Proposed Increase in
Oil and Gas Leasing on the
Outer Continental Shelf"

Dear Sir:

In July, 1975 the Department of the Interior, Bureau of Land Management, filed what purports to be a "Final Environmental Statement" ("FES") on a proposed increase in acreage to be offered for oil and gas leasing on the Outer Continental Shelf ("OCS"). We object to the Department's treatment of this document as a final statement. When compared to the Draft Environmental Statement ("DES") previously circulated, to which we filed comments ("FES," Vol. 2, p. 938), it is seen to contain changes or additions, in the proposal itself, the descriptions of significant and potentially vulnerable environmental resources, the description of environmental impacts and the discussion of energy alternatives and mitigation procedures, sufficient to require circulation of the entire document as a draft, with additional time for comments to be submitted and hearings to be held. Any statement thereafter filed as a "final" statement must, of course, take into account and be responsive to comments made. Accordingly, we do not consider that our observations in this letter should preclude further comment and testimony by us.

In any event, we maintain that 1) the "FES" is inadequate in light of the requirements of National Environmental Policy Act ("NEPA") § 102(1)(C), and 2) adoption of the proposed program to accelerate OCS oil and gas leasing, which is stated to be the subject of the "FES", would violate the substantive standards of NEPA § 101 and other applicable law.

BEST COPY AVAILABLE

To: Director
Re: "Final Env. Statement"

September 8, 1975
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No attempt will be made to repeat here all of the comments submitted by the Attorney General with respect to the DES. In addition to the defects there set forth, which in large measure remain, the revised program and the "FES" present additional defects.

Whereas the proposed action which was the subject of the DES was an increase in the acreage to be offered for leasing so that 10,000,000 acres would be leased in 1975, the proposed action which is the subject of the "FES" is an acceleration of leasing so that there would be six proposed lease sales in 1975 and six possible lease sales per year for the period 1976-1978. Ostensibly the target figure of 10,000,000 acres has been dropped. While we certainly do not favor a 10,000,000 acre target as a matter of policy, we believe that an environmental impact statement should clearly state all relevant dimensions of the proposed action. This change requires close scrutiny by all interested parties. Since the "FES" assumes production of a specified number of barrels of oil and gas per day as a result of accelerated OCS development ("FES", Vol. 2, p. 295) and since it contains estimates of the production and the number of platforms, pipelines and terminals involved in tapping undiscovered resources in the OCS ("FES", Vol. 2, p. 3), the supposed dropping of an acreage target may be misleading and may camouflage an intention to lease even more than 10,000,000 acres.

The revised proposed leasing schedule is ordered according to the principle of considering first "those areas with the richest and most accessible potential reserves." "FES," Vol. 1, p. 17. Particularly in light of the inadequate evaluation of environmental, economic and social impacts in the "FES," the decision to consider such areas first, irrespective of their relative vulnerability to such impacts, is improper and should be subjected to detailed comment by all interested parties.

The "FES" does not adequately evaluate the environmental, economic and social impacts of the proposed action. Instead, the Department of the Interior has responded to criticism on this point, by us and others, by stating that such impacts will be discussed in more detail in site-specific impact statements. See, e.g., Response to N.Y. Attorney General's Comments, "FES", Vol. 2, p. 961; Response to Comments of the Southern California Council of Local Governments, "FES", Vol. 2, pp. 654-55.

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To: Director
Re: "Final Env. Statement"

September 8, 1975
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A nationwide program of this type cannot be adopted without a clear evaluation of its actual consequences as required by NEPA. If the Department cannot provide an adequate evaluation of these consequences until studies of all specific sites are made, then the completion of the programmatic statement will simply have to await the completion of all site-specific statements. Indeed, should it not be possible that, when adequate information is developed and evaluated by the Department, the Department might wish not to adopt the program at all?

As an example of environmental information which constitutes an addition to what was in the DES and which illustrates the inadequacy of the "FES," one can consider the statistics on the number and volume of oil spills. "FES," Vol. 2, pp. 58-59. Certainly this information warrants further detailed analysis and comment by interested parties. Moreover, the "FES" admits that the statistics are not correlated to the amount and type of production that might actually occur in each of the various OCS areas.

A further inadequacy lies in the fact that the "FES" refuses to recognize that the need for the proposed program should be considered in the context of a specific national energy plan. This fundamental flaw is highlighted by the fact that it is conceded that one possible component of such a plan, energy conservation, could effectively substitute for all OCS oil and gas production through 1985. "FES," Vol. 2, pp. 295-6.

Our comment that there was no discussion in the DES regarding whether OCS oil would be allocated on a priority basis to those regions most dependent on imported oil was termed "inappropriate." "FES," Vol. 2, p. 960. This response is unsatisfactory and, indeed, ironic, since the Department maintains that the proposed program is designed precisely to assist in producing self-sufficiency. "FES," Vol. 1, p. 20. Our comments regarding the need to analyze the role of the oil companies as it affects the ability to appraise our energy needs and resources were erroneously dismissed as "purely economic." "FES," Vol. 2, pp. 962-63. Yet NEPA specifically requires that a statement analyze alternatives to the proposed action. There is no exemption for alternatives that involve questions of economics.

To: Director
Re: "Final Env. Statement"

September 8, 1975

2325

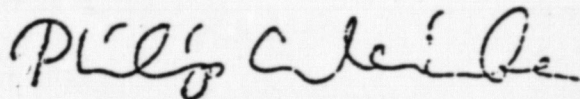
Similar cavalier treatment was accorded our call for use of the best available technology to prevent oil spills. The brief reference to this topic in the DES appears to have been deleted in the "FES." Instead we are told that discussion of the economics of requiring such technology is "inappropriate" for an impact statement! "FES," Vol. 2, p. 959-60.

The discussion of the alternative leasing procedures proposed by us is extremely superficial, as is the discussion of our contention that adoption of the program would violate the Coastal Zone Management Act of 1972.

As indicated above, we maintain 1) that NEPA requires that the statement be circulated as a draft, with additional time for comments to be submitted and hearings to be held; 2) that the statement is inadequate in light of NEPA; and 3) that adoption of the proposed program would violate the substantive standards of NEPA and other applicable law.

Very truly yours,

LOUIS J. LEFKOWITZ
Attorney General
By



PHILIP WEINBERG
Assistant Attorney General
in Charge

PW:af

2326

STATE OF NEW HAMPSHIRE
CONCERNING 6330JIM THOMSON, JR.
SEVENHILL

August 26, 1975

RECEIVED

AUG 26 1975

MEMO: ...
ENVIRONMENTAL ...

Mr. Curt Berklund, Director
Bureau of Land Management
Department of the Interior
Washington, D. C. 20240

Dear Mr. Berklund,

Thank you for your recent invitation to comment on the final environmental impact statement concerning the Department's proposal to increase Outer Continental Shelf oil and gas leasing in 1975 and succeeding years.

A careful review of the statement indicates a sincere attempt by the Bureau of Land Management to give detailed consideration to all environmental risks implicit in such a large and vitally important undertaking. The Bureau is to be complimented for its impartial treatment under difficult circumstances.

I do, however, continue to be dismayed that the Environmental Impact Statement process, couched in negative approaches, fails to place in proper context positive factors which gave rise to the necessity of the statement in the beginning. Much of what is dealt with is both peripheral and soluable while other objections seem spurious. To this extent the subject statement stands in no better stead than others that have come to my attention. It is unfortunate that some who have felt the need to comment view the process as a device to delay and abort rather than as a cooperative method through which the rights of all may be protected.

The basic decision to expand our Outer Continental Shelf leasing program is not borne of a lust for power nor is it a manifestation of greed. Rather, the genesis of this program is rooted in the clear and apparent need to increase our domestic energy production. Foreign suppliers and especially the OPEC countries presently hold the keys which can at their will open and close the spigots to the economic and defense resources of this nation.

Domestic onshore oil production from the maturely developed portion of our resource base is said to be decreasing at a rate of one-half million barrels each day. Nearly forty percent (40%) of our petroleum needs are currently imported and we are daily increasing this dependence.

Mr. Berkland
Page Two
August 20, 1975

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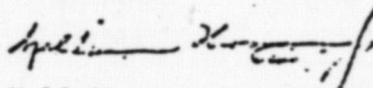
Our increasing fuel costs are the result of this imbalance. Indeed, recently the OPEC nations threatened an additional thirty percent (30%) increase in petroleum prices. I note that comments in the statement relating to the exercise of OPEC impact adjustment fail to recognize present exorbitant fuel costs placed upon our consumers at the whim of foreign producers. This is a convenient but somewhat transparent lapse indicative of the general tunnel vision approach utilized by those who oppose energy progress for our nation.

There is no alternative for America to the proposed lease expansion on the Outer Continental Shelf. It is imperative that we as a nation act swiftly to implement this program.

Environmental impacts must be faced and resolved in a spirit of cooperation rather than confrontation. Failing this, Federal environmental statutes which have been so loosely conceived and liberally interpreted must be promptly corrected. Our national survival demands nothing less!

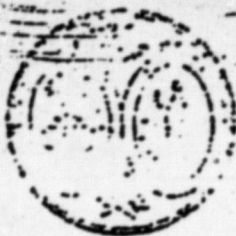
I cannot urge too strongly my view that the Department of Interior move forward with its current leasing schedule without further delay.

Sincerely,


Meldrim Thomson, Jr.

MT/slm

2328



State of South Carolina

JAMES B. EDWARDS
GOVERNOR

OFFICE OF THE GOVERNOR
POST OFFICE BOX 1400
COLUMBIA 29211

September 9, 1975.

Mr. Curt Berklund
Bureau of Land Management
Department of the Interior
Washington, D. C. 20240

Dear Mr. Berklund:

We appreciate the opportunity to review and comment on the final environmental impact statement (EIS) on the Department's proposal to expand Outer Continental Shelf (OCS) oil and gas leasing in 1975 and succeeding years.

The policy of South Carolina is to promote a viable balance between environmental quality and economic growth. There is no question that vastly increased production of domestic sources of energy is essential. Substantial evidence exists to suggest that during this decade increased offshore oil production will be required to reduce our dependence on imported crude oil. Furthermore, alternative sources of supply and predictable energy conservation are unlikely to minimize increasing dependence on oil imports. Offshore oil must be viewed as one of our best opportunities to equate the domestic supply of energy with rapidly escalating demand.

In our attempt to provide an adequate supply of energy, every possible effort must be made to prevent environmental degradation. Available information suggests that offshore development and production can be operated in harmony with the environment when effective protective measures are taken.

The placement and operation of offshore drilling platforms on the Atlantic OCS will have varying impacts upon the surrounding environment. A considerable range of environmental conditions exist between the tropical waters off Florida and the cooler waters off the New England coast. Specific drilling sites may encounter unique environmental conditions and the total environmental impact may be expected to vary in type and magnitude according to those conditions. As a frontier area, South Carolina is faced with an exceedingly difficult planning task in attempting to assess the various impacts of OCS development when

the extent of recoverable resources has not yet been accurately determined. The existing information is in the form of geophysical data derived from seismic and gravimetric soundings. No deep tests have been drilled in off-shore waters of the South Atlantic. We do not suggest that leasing be delayed unnecessarily because of these data gaps. However, we must insist that as information becomes available concerning these unanswered questions, such facts be made available to the states to assist them in a timely and effective planning process. Any unusual conditions revealed by deep tests and other investigative activities should be incorporated into future leasing agreements in the form of stipulations for development and production to ensure proper environmental safeguards.

South Carolina coastal counties are heavily dependent upon the preservation of the quality of the beaches and estuarine ecosystems for both economic and aesthetic reasons. The most promising areas for OCS development lie many miles offshore in the Southeast Georgia Embayment and Blake Plateau. Proper safeguards on development and production structures should minimize potential adverse effects resulting from these installations. Nearshore and onshore development present even more of a concern to the people of South Carolina. Industrial complexes resulting from production off the coast of South Carolina may have a great impact on the communities and regions around such developments. We would suggest any future studies incorporate more fully the potential nearshore and onshore effects of OCS operations. Studies on pipeline corridors would be a prime example of cooperative studies to be undertaken by State and Federal entities. Additional onshore impact analysis for specific areas should also receive consideration for future studies.

We in South Carolina firmly believe the discovery and development of oil and gas resources on the Atlantic Outer Continental Shelf would substantially accelerate the State's program of economic and industrial expansion and diversification. We also realize the State must commit substantial resources to support OCS development. It seems only equitable to us that states having incurred financial responsibilities and potential environmental consequences should receive just compensation. Assistance to coastal states in financing these additional programs and services could be derived from OCS leasing revenues. It is equally important therefore, that at least a portion of these funds become available in the initial phases of development. Local communities must sustain many pre-development burdens that can only be mitigated by the provision of additional forms of financial Federal support for implementation planning and programs.

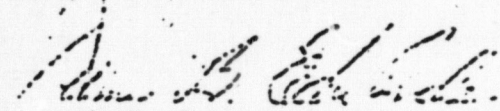
Mr. Curt Berklund
September 9, 1975
Page 3

We, as South Carolinians suggest that leasing procedures become more streamlined with the Federal system while at the same time providing for more State input into OCS management decisions. The State can provide valuable insight into potential problems which may be particular to a specific region under consideration for leasing. Mutual exchanges of information and technical expertise in OCS development and management decisions may reduce differences of opinion between State and Federal agencies and ensure maximum economic benefits without compromising environmental quality.

We support participation in Federal-State organizations such as the OCS Research Management Advisory Board and its activities to provide a forum for interaction and cooperation. Special studies, baseline and monitoring investigations funded through this organization will increase the data base and provide information for sound scientific decisions on OCS development and management.

The opportunity to make comment on this matter leads me to suggest that this means of cooperation be extended and maintained.

With warmest regards,



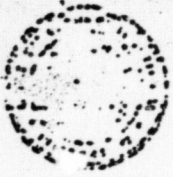
James S. Edwards

JSE:dbw

Office of the Governor

THE CAPITOL
TALLAHASSEE 32304

2331


JIM O'D. ASKEW
GOVERNOR

September 8, 1975

Mr. Royston C. Hughes
Assistant Secretary of the Interior
Bureau of Land Management
Washington, D.C. 20240

Dear Mr. Hughes:

Thank you for the opportunity to comment on the
Environmental Statement, Proposed Increase in Oil and Gas
Leasing on the Outer Continental Shelf.

A number of the deficiencies of the Draft Environmental Statement have been corrected. The inclusion of reports by the Council on Environmental Quality, the Ford Foundation, and the Federal Energy Administration, and the proposed leasing of considerably less than the 10 million acres originally proposed are all improvements.

My third major criticism, that too little is presently known to adequately evaluate environmental impacts, has been only partially rectified in the Final Statement. Although many of the "disclaimer statements" relating to insufficient knowledge or lack of knowledge included in the Draft Statement are not present in the Final Statement, it is still apparent that sufficient knowledge to effectively evaluate the impacts of the proposed action is unavailable at the present time. In my opinion, there is insufficient additional information in the Final Statement to justify an alteration of this viewpoint.

The Final Statement indicates that through strict conservation measures the amount of petroleum which could be saved exceeds that which may reasonably be expected to be produced from the virgin OCS areas within equivalent time periods. It seems apparent that a level of conservation somewhat less strict could substitute for a great deal of the anticipated OCS production and allow for more judicious and cautious leasing. This would provide the necessary additional time for a more comprehensive understanding of environmental, social, and economic impacts in both the virgin areas proposed for leasing and the areas already leased such as NAFLEA.

2332

Mr. Royston C. Hughes

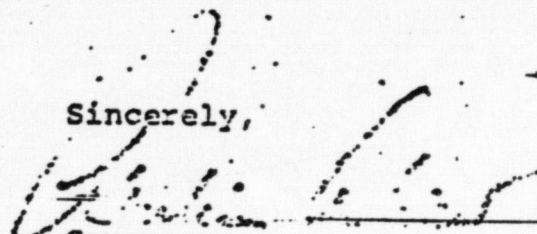
September 8, 1973

Page 2

Please be assured of my continuing concern for all aspects of CCS development. Florida is willing and anxious to fulfill her national energy obligations but only with a clear understanding of the environmental and other impacts of such development activities.

With kind regards,

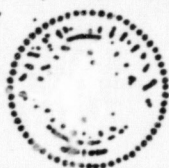
Sincerely,



Governor

ROA/frs

State of Louisiana



DEPARTMENT OF CONSERVATION
BATON ROUGE 70804

P. O. BOX 44172

September 2, 1975

T. T. BUTTON
COMMISSIONER

Director (732)
Bureau of Land Management
Department of the Interior
Washington, D. C. 20240

Dear Sirs:

We have reviewed the Final Environmental Statement relating to the proposed Increase in Oil and Gas Leasing on the Outer Continental Shelf. We feel that the Environmental Impact Statement of the Department's proposal for increase leasing is more than adequate. The leasing program should go forth and if possible, shorten the leasing time table so that leasing could begin at an earlier date.

The oil and gas industry, like all other industries, may experience a function which could cause environmentalist some concern. Louisiana has experienced an occasional spill and in a few instances a blow-out and/or well failure. I will have to state that there was temporary environmental problem, none of permanent or rather long duration. Accidents such as these can be minimized by adequate drilling and operating rules. We sincerely believe Louisiana has excellent rules and regulations to cover such matters, and realize that the federal regulations are also excellent. As technology changes, the rules and regulations should be amended to meet the technological advances of the oil and gas industry.

Everyone knows of the anticipated energy shortage this winter. Let's hope that some of our prospective coastal areas, North Atlantic, Mid-Atlantic, South Atlantic, MFLA, North and South Pacific, and the Alaskan Areas, will experience leasing and some exploration before the 1976-77 winter season. We hope that leasing and exploration continues in the Gulf of Mexico, Louisiana and Texas.

Yours very truly,

R. T. Button
R. T. Button, Commissioner

CC:kcm

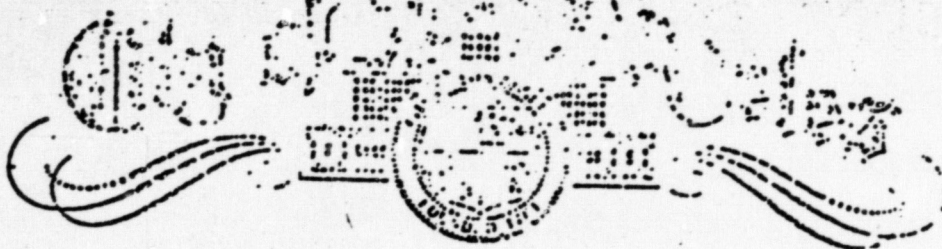
Governor Edwin Edwards

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CITY HALL
609 ANGLES 52012
485-3311

OFFICE OF THE MAYOR
August 22, 1975

TOM BRADLEY
MAYOR

Honorable Kent Frizzell
Acting Secretary of the Interior
U. S. Department of the Interior
Washington, D. C. 20005

Re: Proposed Outer-Continental
Shelf Oil and Gas Leasing

Dear Mr. Secretary:

On July 11, 1975 your Department released a final programmatic EIS on accelerated nationwide offshore oil and gas leasing in 1975. An accompanying press release indicates that public agencies and interested members of the general public would have an opportunity during the 60-day period after release of the document to make further comments.

The final program EIS contains several revisions, the most significant of which are the following:

1. The rationale, goals and objectives of the proposal have been substantially altered in that six offshore areas will be leased in 1975 instead of the originally proposed ten million acres, with a newly articulated strategy of leasing as early as possible those areas with the richest and most accessible potential oil and gas reserves, regardless of environmental consequences.
2. 172 pages of new information have been added on the environmental impacts of the proposed lease sale (more than double the information provided in the draft EIS), including critical estimates of the likelihood of oil spills reaching shore.

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3. Estimates of expected oil spillage as a result of accelerated leasing have been revised upward from the 8,500 barrels reported in the draft EIS to 215,000 barrels in the final EIS, a twenty-three fold increase in the magnitude of anticipated oil spillage.
4. Also added to the revised EIS is an entirely new 32-page description of the nation's offshore environmental resources, essential information for making meaningful public comment on the expanded OCS leasing proposal.
5. The discussion in the draft EIS about energy alternatives to OCS leasing and about potential mitigation measures has been completely revised.
6. The final EIS also includes over 1,000 pages of public comments on the draft program EIS and responses thereto by your office.

These revisions are substantial and require recirculation of the document in draft form for public comment in order to satisfy the EIS public participation requirements of NEPA. As we have explained to your Department on several occasions, we do not believe that the waiting period following the release of a final program EIS is designed for the purpose of receiving public comment for, by definition, once a document becomes final, public comments received thereafter will not receive the full, good faith consideration required by NEPA and be included in the final document and responded to therein. We call upon you once again to reconsider your headlong rush toward offshore leasing and to recirculate the revised program EIS as we believe the law requires.

Additionally, we note that many of the glaring deficiencies of the draft EIS, which we have described in great detail in written comments, have not been cured in the final EIS. These deficiencies include:

1. The lack of data on both the nation's offshore environmental resources and the environmental impacts of offshore oil and gas development on those resources.

2336

2. The EIS does not include critical geological and geophysical data in the possession of the U.S. Geologic Survey from which the hazards of drilling could more fairly be known.
3. The document does not discuss the relative environmental impacts of offshore oil and gas drilling in various geographic areas of the United States, so that a decision can be made as to which areas are most appropriate for development.
4. Degradation of air quality, especially from secondary impacts of the proposed project, is inadequately discussed.
5. Onshore land use impacts associated with offshore development are not fully analyzed.
6. The EIS fails to discuss unavoidable adverse economic and resource losses to state and local governments due to oil spills and the necessity to provide additional public services as a result of growth induced by offshore development.
7. Possible mitigation measures are not adequately treated.
8. Accelerated offshore development is not discussed in the context of a comprehensive national energy policy, demonstrating the need for such development.
9. The alternative of energy conservation is not adequately considered.

We once again urge you to redraft the revised program EIS in order to fully address these most important issues relating to offshore leasing.

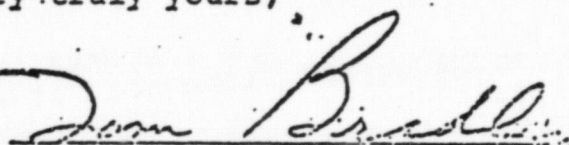
Finally, we must again renew our objection to the timing of tract specific activities here in Southern California and elsewhere throughout the nation. We firmly believe that such activities may not legally be undertaken unless and until a final,

legally adequate program EIS has been completed and a final decision has been made to go forward with a national leasing program.

We are writing this letter in a final effort to avoid costly litigation which neither you nor we desire. We do not seek delay for delay's sake, nor do we oppose offshore drilling per se. Rather, we are most concerned that the many significant questions we have raised regarding the proposed OCS program be fully addressed and hopefully intelligently answered before your Department moves ahead with any major acceleration of the OCS leasing program. We urge you to reconsider your current leasing schedule, cure the deficiencies that now exist in the final program EIS, recirculate it in draft form for public comment, and cease all tract specific activities until a final, legally adequate, program EIS has been completed and a decision has been made to go forward with the national leasing program.

Very truly yours,

By


TOM BRADLEY

Mayor of the City of Los Angeles

Discussed in the By


BURT PINES

City Attorney of the City of
Los Angeles

TB/BP:khh

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CITY HALL EAST
LOS ANGELES, CALIFORNIA 90012

2338

BURT PINES
CITY ATTORNEY

September 9, 1975

AIR MAIL SPECIAL DELIVERY

Honorable Kent Frizzell
Acting Secretary of the Interior
U.S. Department of the Interior
Washington, D.C. 20005

Re: Proposed Outer Continental Shelf
Oil and Gas Leasing

Dear Mr. Secretary:

Enclosed please find comments on the final program-
matic environmental impact statement for accelerated offshore
oil and gas leasing nationwide prepared by the Scientific
Advisory Committee to the Southern California Council of Local
Governments. We wish once again to state for the record that
we believe that the amendments and revisions to the final
programmatic E.I.S. are so substantial to warrant recirculation
in draft form and that even with the recent revisions, the
document remains inadequate as outlined in a letter to you on
August 22, 1975 from Mayor Tom Bradley and City Attorney
Burt Pines.

Very truly yours,

BURT PINES, City Attorney

By *[Signature]*
JOHN E. MC DERMOTT
Deputy City Attorney

JEM:lp

Enclosures

Telephone: (213) 465-6398

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EXPANDED OFFSHORE OIL AND GAS DEVELOPMENT

The final E.I.S. is a significant expansion over the initial E.I.S. New sections have been added, presumably in response to earlier criticisms of the initial E.I.S. One main addition has been sect. C p. 61-100 Natural Phenomenon.... Impact Generating Potential.

This entire section appears to be new and covers the effects of storms, ice, earthquakes, tsunamis and unstable bottom conditions on different phases of oil development: exploration, production, storage and transportation. However, several comments can be made.

On page 63, it is pointed out that earthquake hazards to fixed platforms can probably be mitigated by proper design and careful placement... On page 67, it is stated that a new platform has been designed to withstand the maximum expected ground shaking in the Santa Barbara Channel. What value is this? and upon what data is it based on?

Page 66 - 4th line from bottom-- "in view of the intensity... (Richter 8.3) intensity and magnitude are not the same!

Page 67, line 7, "Destruction...when fortuitous conditions are present." The revised E.I.S. still completely ignores the possibility of soil amplification effects on earthquake induced shaking.

Page 68, line 2, "Extensive test borings..." This is an excellent addition to the E.I.S.

Page 74, section on pipelines. An honest statement of the problem.

The revised E.I.S. still does not discuss the fact that to obtain meaningful data on the seismicity and ground acceleration and amplification effects on OCS that ocean bottom seismometers and accelerometers must be installed to obtain 'ground truth' data. It is difficult to see from the statement in Table 113, footnotes 223--"provided e.g., resistant design features are used" and "provided careful soil analysis program is followed". How does one do this without data?

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Table 113 is indeed subjective. For example, it is not described why earthquake hazards on drilling platforms is rated a slight hazard. It is a circular argument to state that reasons are given in footnotes to Table 113 and find the comments stated in the previous paragraph.

Table 117 presents an evaluation of the relatively environmentally-induced oil spill hazards for each CCS area. The Southern California OCS is rated as moderately high susceptibility to earthquake damage. Yet the statement beginning on line 4, page 96 states "Similarly the moderately high seismicity of Southern California does not pose a serious hazard to platforms and pipelines." The effect on platforms is questionable in light of unknown soil amplification factors and in Table 113 one is told that earthquake-soil stability on pipelines is serious!

The above are some of the weaknesses which I noted upon a quick perusal. I restricted my review to earthquake effects.

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City of Los Angeles
Mayor Tom Bradley and City Attorney Kurt Pines

From: Dr. James C. Morris
Department of Biology
University of California
Los Angeles, California

2341

At the request of the City of Los Angeles I have reviewed the Bureau of Land Management's Outer Continental Shelf Final Environmental Statement (FES 75-) with respect to southern California marine invertebrates. I was specifically asked 1) to compare the draft to the final, 2) to comment on the depth and significance of the changes, and 3) to evaluate the new materials.

General comments:

The alterations and improvements that have occurred between the DRS and the FES are few and inadequate. There is really no little difference between the two that all of the comments that I submitted concerning the DRS (see my evaluation dated January 24, 1975 to the City of Los Angeles) still hold for this document. Much of the material in the sections that I evaluated were taken verbatim from the DRS with no change. In fact, in many cases there has been a condensation of the DRS materials.

Consulting the available literature:

There still has not been an adequate survey and incorporation of the available literature. For instance, there is the assertion that the benthos of southern California has been relatively well studied by the Allan Hancock Foundation (1966) [v. I p. 337]. This is far from the truth. The cited report does describe, on the basis of one set of sampling techniques, the biota of one particular kind of habitat. To claim that it is representative of the multiple habitats within our complex marine ecosystem of southern California is like claiming that the culture of the peoples of New Island, Indonesia is representative of all of the cultures of mankind. One need only look at such references as Barnard (1967), Clarke et al. (1967), Taper (1969), Lishajski (1973), Merrill and Nelson (1970), Peruchena (1966, 1968), etc. (see the bibliography of my previous report for the citations) to discover the varied and complex habitats that exist throughout the southern California sector (and have been partly studied). To overlook these varied habitats and that many of the authors conclude about them strongly indicates to me that the FES has not been adequately prepared and that all of our prior testimony (see analysis of the City of Los Angeles Council of Local Governments) has fallen in deaf ears.

2342

side from virtually ignoring the habitats, there has been no attention paid to the effects that oil developments might have on community structure. There is adequate general information available to make some assertions about the overall impact that the developments could have on the community organization of many habitats. This especially applies to our kelp beds and associated reef communities which are so biologically, aesthetically, and commercially important. Except for one brief section of less than one page (v.II,p.335), this whole habitat is ignored. Southern California Borderlands (v.I,pp.722-731):

This section on borderlands is grossly unbalanced. It delineates, not the major fish and wildlife resources as it purports to do, but rather briefly describes some of the economically important fishes and invertebrates (none by name), the birds as a group, sea turtles, marine mammals, and kelp as a resource. It totally ignores most of the marine community members (especially invertebrates) which are also obviously 'wildlife'. These members include at least the dominant benthic and pelagic invertebrates and the kelp forests. '11 of these are valuable borderland resources as least as much as the whales and birds. Furthermore, the section does not indicate the fragile and endangered nature of some of these ignored organisms (such as the purple coral Alcyonium or the anemone Parasacanthus). This whole section aims itself only at the economically important or aesthetically visible flora, but avoids the whole supporting "understructure".

Environmental Impact Data (v.II, section III, pp.1-249):

Much of this section is new and is a major improvement. However, I would strongly dispute one of the conclusions (v.II,p.100) concerning the Santa Barbara Oil Spill. In fact, the conclusion that the "perceptions of the Santa Barbara oil spill as a catastrophe which permanently destroyed or altered environmental conditions of the area are not factually valid" is inconsistent with the data presented just above it. There are two contradictory reports cited: The first, by Strauchan (1971), concludes "that the number of marine organisms measured to be roughly comparable to pre-spill populations and concluded that the spill's effect on marine life was negligible" (v.II,p.103). The second, by Foster (1974), concludes that "The continued presence of oil from the initial spill.....suggest that the Channel has not recovered" (v.II,p.107). And yet from these two statements the "IF" conclusion "There is no effect" is drawn. My conclusion is that it may or may not have an effect and that in fact

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The major point that I believe should be made from the Santa Barbara oil spill presentation (v. II, pp. 130-135) is that baseline studies should be accomplished well before any oil activity is undertaken and that it be continuous (before, during and after any oil operations) so that should such apparent catastrophic effects occur then data will be available so that an objective evaluation can be made one way or the other. [I would refer the reader to my own evaluation of community organization presented in my January 24, 1975 report].

Generic Impacts (v. II, pp. 130-135):

1. On v. II, p. 130 a specific point is made about comparing different climatic regions that "as a generalization, biological systems have a higher turnover in warm regions [than in cold regions]". While this statement may be true from a statistical point of view including all populations within an ecosystem, it definitely is not true for all of the populations within any given ecosystem. There are both low and high turnover populations in each kind of region and it is only 'on the average' that this statement can be made. In important case in point are corals of the tropics. These organisms are perhaps the most important taxon within the tropical reef community and most of the ecologically dominant forms are very long lived and have a low turnover. Furthermore, organisms with the greatest numbers or biomass need not be the most important [see for example Pacer (1966), Dayton (1971)]. Thus a simple evaluation of numbers without including other considerations may be ecologically meaningless (for example as the report of Strauphan (1971) may be). Therefore it is more important to examine the ecologically dominant and important members of the community than it is the "averages" and numbers of individuals. [clearly largest numbers and ecological dominance may be one and the same in some communities].

2. On p. 142 the FFS states that "the generally accepted inability to quantify the effects of large oil spills...makes the prediction of environmental impacts that will result from the accelerated leasing proposal an extremely difficult task" and further "it is important to point out that prediction of effects at the community, or even population, level is nearly impossible with our current knowledge." It seems to me that both of these statements argue for a delay in the leasing rather than an acceleration. I would suggest that committee firms and agencies start immediately on a baseline study and studies of acute and chronic effects of oil on controlled communities so that proper predictions can be made before the leasing is carried out!

While the IFS does deal with potential effects of chronic low pollution (v.II, pp. 242-244), it discusses these effects only in terms of indirect kinds of measurements such as population size, are distributions, and birth, death and migration rates. These are their "principal measures". While these results are important and meaningful, it is my contention (as I have suggested previously) that attention to the biology of the organism itself (i.e. for physiological characteristics and behavior) would give far more direct and meaningful (and obviously quicker) results on chronic and sublethal effects. In short the IFS has been woefully negligent in discussing exactly what is incorporated into their umbrella term 'sublethal effects'. From the little that is there I would conclude that it is largely indirect in its approach.

Unavoidable Effects of Environmental Effects (v.II, pp. 262-264):

One feature that is important but has been ignored in this section is the problem of areas of special biological significance and isolated communities (such as restricted subtidal rock outcrops). Before leases are permitted a more thorough literature and, if necessary, field survey should be carried out in order to identify areas that are restricted in their distribution and are ecologically distinct (so that they ultimately can be protected). In this regard field surveys may be particularly necessary on the deep rocky outcrops which have faunistically been less poorly evaluated. On the other hand regions of large areal extent and possessing similar communities should also be identified. Thus drilling could possibly be permitted in these large regions with less chance of drastic ecological damage than in these other restricted areas. In other words; subtidal 'island-like' regions should be taken into consideration prior to the actual leasing.

The Major Weakness of the IFS

In my opinion the major weakness of the IFS is its lack of attention to a basic knowledge of the marine ecosystems. The IFS does not seem cognizant of the need for major baseline survey work on these marine communities so that the effects of potential oil operations could then be carefully monitored to determine their impact (and be used for future control).

Respectfully submitted:

James D. Martin

Associate Professor of Biology
University of California at Los Angeles

Comments on the Sections on Air Quality Addressed in
the Final EIS for Offshore Oil Drilling

Prepared by: Alan C. Lloyd

Statewide Air Pollution Research Center
University of California
Riverside, California 92502

Residence: 235 Campus View
Riverside, California 92507

August 27, 1972

My comments will address the adequacy of the discussions of the impact on air quality resulting from pollutant emissions associated with offshore oil drilling: differences between the final and draft EIS will be specifically addressed.

Some significant additions have been made in the final EIS compared with the draft version. However, many areas are still not addressed in the depth and quantitative nature required for one to obtain a clear idea of the true impact on air quality in the South Coast Air Basin of California (SCAB).

Specific comments are made below and are broken down in the various sections as given in the final EIS.

Comments on "Impact on Air Quality"--page 217

One of the major omissions remaining in this section is the impact on air quality of the large amounts of hydrocarbon emissions which will probably result from transfer of oil, e.g., filling tankers. Currently, in the South Coast Air Basin, plans have been implemented to eliminate the significant evaporative hydrocarbon emissions from gas station filling activities. This approach should also be addressed when dealing with offshore oil drilling and some calculations performed on the emissions contributed from this source. Should the oil not be transported by a tanker, then presumably there will be an increase in refining capacity at the oil refineries along the coast of the SCAB with the concomitant increase in emissions.

In the section discussing wild fires from the burning of natural gas, it is not clear, as suggested in the EIS, that (1) combustion would be essentially complete and (2) there will be no nitrogen oxides emitted, but that the nitrogen would remain as N_2 . While it is likely that the nitrogen oxides emitted would be minimal, the probable emissions of CO and SO_2 would adversely affect air quality.

2347

In dealing with the effect of increased refining capacity, the treatment in the final EIS remains qualitative. For example, some estimates of increase in refinery capacity could and probably should be made: for example, one could estimate increases of 10, 20, 30% and calculate the likely increase in emissions with the consequent degradation in air quality.

Comments on Section C "Deterioration of Air Quality"--page 267

In this section also, no mention is made of tanker filling operations, transfer of oil operations, or increased refinery capacity and operations.

The statement that "If a natural gas leak or gas well blowout should occur, pollution would be mostly from methane which quickly disperses and drifts away" is somewhat misleading. It is true that the worldwide background of methane is about 1.4 ppm and it also true that it reacts slowly in the atmosphere. But the fact is that it does react and a substantial increase in emissions could produce increased photochemical oxidant far downwind when the air parcel has traveled over a large distance and has had time to react with nitrogen oxides and sunlight.

In discussing the effect on pollutants emitted from oil burning, it would be desirable to give some quantitative estimate of the effect on air quality.

Comments on Section 2 "Air Quality"--page 632

It appears that some attempt has been made in this section to address the problems in California outside the South Coast Air Basin, e.g., San Francisco Bay Area and the San Diego area. Unfortunately, the area dealing with the SCAB has not been adequately addressed: this is the area currently afflicted by the highest pollutant levels.

2348 The lack of specificity in the report is illustrated by the fact that, while the background levels of pollutants are given and compared with the air quality standards, practically no quantitative data are given for the current air quality in various areas of the SCAB, e.g., coastal areas, Pasadena, Azusa, and Upland - which are at the base of the mountains, and other inland areas such as San Bernardino and Riverside. No current data are given for the number of days exceeding the standards or of the likely impact of hydrocarbon emissions produced from offshore oil drilling. No air parcel trajectory studies are presented which show the receptor sites for any additional hydrocarbon emissions. Such calculations are now becoming routine in EIS preparations.

The statement "With the absence of major urban developments along the coast of California and the physical features of the land, the chances for problems resulting from offshore oil and gas operations remains small" should be strongly qualified and is simply incorrect for air quality in southern California.

In summary, while some changes have been made in the discussions of the impact on air quality resulting from offshore oil drilling operations, the report on air quality is still of a very qualitative nature and sufficient attention has not been given to obtaining a quantitative estimate of the effects on air quality in regions such as the South Coast Air Basin, which are currently plagued by photochemical smog. For example, some idea of the possible percentage increase in hydrocarbon emissions, which is one of the key precursors to photochemical oxidant, should be given.

The treatment, overall, still remains superficial and it is impossible for one to truly evaluate the impact on air quality of offshore oil drilling operations from the data presented in this EIS.

These comments are made in light of a report previously submitted in regard to State Environmental Statement DES-74-90.

This FES is in effect a summary or synopsis of the original DES. Very little change in content or format has occurred. Despite this, a few comments can be made.

1) DES-74-90 (p. 131) emphasized that the "importance (of phytoplankton) cannot be overestimated." I would have expected this all important emphasis to have remained in the FES. It has not.

2) In critiquing DES-74-90 I commented on the minimal references to the kelp industry. While more linkage has been added in FES 75, there is still a failure to look to the future, and the future impact, of the kelp and potential algal industries. This is important. Considerable State and Federal money is being spent to expand the kelp beds and to consider other possible uses of algae. These matters, especially future projections, are subjects that should be considered, but which these BLM environmental statements consistently ignore.

There is still the implication that the BLM is using previously drilled and explored areas (e.g. Gulf of Mexico) as analogues for impacts elsewhere. The folly of this has been repeatedly emphasized in previous critiques. In FES 75 (p. 8) they state "impacts....are thus unidentifiable among areas except for the species of biota being affected." This is an over-simplification. We simply don't know what might happen in a major spill in offshore southern California, (Santa Barbara not withstanding). The failure of these statements, including this FES, to take account of this general problem, is serious. I wonder if this is not deliberate in this FES.

This FES has retained the tendency of its parents ES to gloss over potential problems. In p. 20, referring to formation waters and lack of oxygen, FES states "the size of this impact will be small." Yet, two sentences later, FES states that lack of knowledge "precludes quantification of the environmental impacts." Quantification of an impact is most important. All of these environmental statements emphasize the qualitative. The quantitative is equally, if not more, important. To quantify, however, baseline information is needed. I emphasize again, as in previous analyses of DES-74-90, that a serious omission and weakness of these statements, including FES, is the failure to consider the essential need for baseline information. It is very difficult, if not impossible, to intelligently monitor impacts if one doesn't know completely what's there originally, both qualitatively and quantitatively.

The problem of inconsistency still remains. On p. 35, the Santa Barbara spill was estimated at 10,000 barrels (up to a maximum of 700,000 barrels). On page 97, FES talks in terms of oil spill volumes per event of up to 2,000,000 barrels. The Santa Barbara oil spill is too frequently used as an example of impact potentials in Southern California. I would be a lot happier if the Santa Barbara was, and that this in turn creates a very serious "caveat" in using this spill for future predictions.

2359 feel this FES still has a tendency to slant their statements. In pgs. 105-106, they discuss the different views among scientists about the effect of the Santa Barbara spill. Yet, at the end of this discussion (2, 106) they flatly state that "the massive Santa Barbara oil spill apparently has not resulted in major long term impacts..."

This is almost a distortion to favor a position of advocacy. As I have commented in previous analyses, ES should not take a position of advocacy.

In my original critique of DES-74-90 and, subsequently, of DES-75-2, I emphasized what I considered were major weaknesses and shortcomings of the Environmental Statements. These involved such matter as

- 1) Interpretation of Data. Equating "lack of evidence" to paucity of results.
- 2) The whole problem of the size of, and impact of, the Santa Barbara spill.
- 3) The lack of baseline information, and the need for this so that impacts can be monitored.
- 4) various omissions.
- 5) A failure to consider economic consequences, and to look to the future in considering impacts.
- 6) A distinct tendency of advocacy in the ES.

I do not consider that FES 75 has remedied any of these deficiencies.

It is, with a few minor modifications and improvements, just a summary of DES-74-90, and thus remains only marginally acceptable; perhaps less so considering it is a final Environmental Statement.

...and the effect of this impact will be...

Evaluative Commentary on the
Final Environmental Statement,
Proposed Increase in Oil and Gas
Leasing on the Outer Continental Shelf,
BLM, USDI

2351

by

Dr. Richard L. Perrine

This commentary addresses three specific questions related to the Final Environmental Statement:

- 1) which portions of the Statement, if any, have been so substantially amended as to require further public review and comment;
- 2) what subject matter still is not adequately covered, if any; and,
- 3) if the revised Final Statement were available with appropriate changes made, what questions of importance could be addressed within tract-specific impact statements which at present either cannot be addressed, or only considered with much greater difficulty and uncertainty?

Content Requiring Further Public Review

A very substantial revision has been made of the "Environmental Impact of the Proposed Action." This material is contained in pages 1 through 242 of Volume 2. Items of particular importance in this report are the material on the probability of spills (page 56 and following), refinery expansion and siting needs (pages 196-198), and the risk summary and cumulative impacts. (pages 231-249). Much of the content implies assumptions, and methods of analysis and statistical interpretation, which are not well established in our body of experience and may or may not be appropriate to

2352 considered an improvement over the original, it is at the heart of an environmental statement and so merits full public review.

Another portion of the Statement in which very substantial changes has been made is "Alternatives to the Proposed Action" (pages 293-356). Choice from among these expanded alternatives may constitute formation of a national energy policy. Certainly decisions of such importance merit full public disclosure and review. And the contents of this section, again, imply many assumptions and a questionable data base on which not all would agree.

Material Not Adequately Covered

The inclusions on air quality, pages 652-653 of Volume 1 and at page 217 of Volume 2, still provide a far less than adequate consideration of the subject. There is no excuse for the neglect shown here.

Another topic given too brief and inadequate consideration is the resource limitations (Volume 2, pages 279 and following). Financial resources are recognized, but shortages of qualified men, and materials, may prove even more limiting and the more likely cause of serious adverse environmental consequences.

Relationship of Tract-Specific EIS to this EIS

Many of the most important concerns regarding the tract-specific EIS for the Southern California region are directly and closely coupled to elements of the present EIS. Specific topics of major concern include the problems of refinery and other processing unit needs, their siting, and the potential problems which can arise (as Volume 2, pages 196-198). Also included are the methods of risk analysis and the risk summary (Volume 2

pages 231 and following), and the cumulative impacts (Volume 2 page 241 and following).

2353

A section of critical importance is that on the irreversible commitment of resources (Volume 2, pages 279-282). This content must be treated properly before tract-specific EISs will have value, and the content of the present Statement provides an essential Background from which to start any such review.

Another section where the relationship between a tract-specific EIS and the present EIS is critical is in consideration of alternatives (Volume 2, pages 273-282). Because not all forms of energy are readily transported, some regions have a different range of possible choices than others. But competition for the residual "mobile" energy could prove disastrous, with very adverse environmental consequences, if this is not properly thought through from the start. Thus, this portion of the present document must be complete, adequate in quality, and available before intelligent consideration of some tract-specific documents can begin.

2354 FES 75-) portions of Final Environmental Statement
prepared by the Bureau of Land Management,
U.S. Department of the Interior, entitled "Proposed increase in
oil and gas leasing on the Outer Continental Shelf". Portions
evaluated relate to living marine animals, with some emphasis
on affected areas off southern California.

by

Malcolm S. Gordon

Professor of Biology and Director, Institute of Evolutionary
and Environmental Biology, University of California,
Los Angeles

This statement represents my professional and scientific
evaluation of those parts of the subject FES relating to living
marine animals. It is based upon three primary sets of in-
formation: 1) Detailed reading of the following sections in the
FES: IIA-3d; IIB-3b; IIC-6,7; IID; IIIA; IIB-2a,b,c,d; IID;
IIIF; IIIG-4; IIH; III I; VA; VE; VI; and VIIC; 2) My earlier
analysis of the preceding programmatic Draft Environmental
Statement (DES 74-90); and 3) My earlier analysis of the southern
California site-specific Draft Environmental Statement (DES 75-8)

The subject FES has clearly profited significantly from
the various comments received during the earlier reviews of
the DES. However, it has not profited enough. At least with
respect to marine animals it remains generally accurate as far
as it goes, but it does not go nearly far enough in many im-
portant respects. The great majority of the comments made in
the author's analysis of the DES continue to apply to the FES.

contents will highlight some of the major points. The following

2355

The primary emphasis in the sections of the FES reviewed is upon the direct, short-term effects upon living marine animals of exposures to substantial oil spills within short time periods. A variety of other, biologically important aspects of OCS oil and gas development are mentioned and discussed relatively briefly, but more or less adequately. There are still other aspects, however, which are either discussed totally inadequately, or are not mentioned at all.

Possible effects of heavy metals other than chromium, particularly with respect to long term, low level chronic exposures, are virtually ignored. Biological magnification of concentrations of these metals, large amounts of which are described as being likely to be added to the sea via discharges of formation water brines and during dredging and pipeline laying operations, is not discussed in any of several relevant contexts (e.g. direct non-lethal physiological/behavioral effects on animals; ^{possible lethal effects on higher level predators;} possible human effects relating to higher level predators involved in commercial and sport fisheries).

Possible large-scale, long term effects of discharges of large volumes of highly saline, therefore very dense, formation water brines are not discussed. According to section IIIB-7b, mineral contents of these brines can range from about 3-9 times that of normal sea water. These are mineral contents (salinities) more than adequate to be lethal in short time periods to

... every animal coming into contact with them. Calculations made by Professor J. Enright of the Scripps Institution of Oceanography, on the basis of figures given for the southern California OCS program in the site-specific DNS for southern California, indicated a high probability of literally thousands of square kilometers of sea bottom off southern California being covered for long time periods by relatively undiluted layers of these waters, layers that could be a meter or more thick. Comparable events could happen in other frontier regions as well. The subject belongs in the FES.

A significant fraction of the OCS drilling in several areas including southern California, is indicated as likely to take place in water depths of 200-2500 meters. There is no discussion in the FES of possible impacts upon either mesopelagic organisms living in mid-water at these depths (very different organisms and communities from the pelagic and shallow water benthic organisms considered in most sections), or upon deep-sea benthic organisms. There is no discussion of possible effects of blow-outs at great depths--events which would add hydrocarbons (via both solution and emulsification) and heavy metals to deep water masses repeatedly referred to in the FES as less likely to be impacted than are surface water masses.

There is no discussion of possible effects on both marine animals and humans eating marine animals of the solution into the sea of the lighter, more volatile fractions of hydrocarbons released in spills. A number of these lower molecular weight

...carcinogens or mutagens. They are probably subject to accumulation and biological magnification phenomena similar to those known to occur with heavy metals such as mercury and lead.

There is no detailed discussion of possible impacts of OCS oil and gas development on oceanic food webs and biological communities. Most of the discussion relates to particular kinds or groups of kinds of animals (e.g. species important in fisheries; endangered species), with some discussion of populations. There is no general consideration of possible impacts on the spatial and temporal dynamics of the higher organizational levels of oceanic faunas.

To summarize: There are at least five major ways in which the subject FES is either or both inadequate or deficient from the standpoint of biology. The FES is better, in biological terms, than was its preceding DNS, at least in several respects. It remains, however, incomplete and scientifically unacceptable as an assessment of even the major impacts of OCS oil and gas development.

In addition to the preceding comments on the adequacy of the FES, it seems worthwhile to remark upon the new biological material added since the earlier review of the DES. The new sections are: IIC-6,7; IID; IIIF; IIIG-4; IIKH and III I. These sections are, as was noted earlier, an improvement over the DES. They are inadequate, however, in the respects listed above. This lack of adequacy in these new sections seems to me to justify an additional request for further public comment on these sections.

COMMENTS OF RICHARD EMERSON
REGARDING FINAL PROGRAMMATIC E.I.S. ON
EXPANDED OFFSHORE OIL AND GAS DEVELOPMENT

2359

changes in the draft EIS

Part A is an elaboration of material contained in pp. 242-249 of the original draft EIS. There is much more detail as regards employment impacts on coastal communities. The employment impacts provide some valuable information upon which part of an economic impact analysis could be based but is not itself an evaluation of the economic impacts. The impacts listed are direct requirements of various oil-related activities. The indirect effects on a particular community could be even more significant than the direct effects.

A second point worth noting is that large socio-economic impacts may come through two sources not elaborated on. The first source is local government revenues and expenditure requirements (also see B. below) and the second source is the potential change in prices and incomes due to the reaction of individuals to off shore oil production. An example of the latter impact is the reduction in property values due to aesthetic impacts or other environmental changes. Although attitudes and aesthetic values cannot be objectively quantified, the resulting economic changes can -- and they may be significant.

2360

Part B is new. It is a critical review of two cost-benefit studies of CCS developments. The costs and benefits in the two studies refer to government revenues and expenditures. Both studies show that there is a net loss in government revenues associated with off-shore oil development. Both studies are severely criticized. Whether the criticisms are valid or not, I cannot determine without reading each study. Certainly, given only the information provided in the EIS, I cannot concur with the criticisms.

The last two pages of Part B (pp. 215-216) are extracted from p. 214 of the old draft EIS.

Part C is extracted directly from pp. 315, 316 of the old draft EIS.

Part D is, of course, new. Most is not related to economics and I cannot comment with any expertise. There are two paragraphs (p. 656) which are worthy of comment, however. First, the "diminution of land values" requires much more study and elaboration. Second, (as regards the following paragraph), CCS development, in my opinion, should not proceed until full liability on all negative impacts of such development is explicitly placed on someone. Obviously, liability is always implicitly determined (by default is nothing else); however, everyone concerned should be fully informed as to who will bear the costs before leasing occurs.

Finally, I shall make some general comments. Overall, the changes manifested by the materials I have received (Parts A-D) are responsive to some suggestions contained in my earlier testimony. However, they are rather superficial responses of questionable significance. As to the additional general issues raised in the new materials, it is increasingly evident that a region-specific EIS is essential and that the existing (and any further) elaboration on points raised during the hearings is of little value. As for specific issues raised, I find them difficult to pinpoint (perhaps because of the rather superficial tone of the material). Certainly, Part B is of little value in that it is criticism not of a constructive nature. I would like to have seen some constructive information provided.

I will forward the professional information about myself with comments on the shortcomings of the final EIS before September. I should have more time to organize my thoughts on this issue than as well.

Sincerely,



Assistant Professor

2361

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

REGIONAL COOPERATION FOR REGIONAL PROS:

600 SO. COMMONWEALTH AVE. • SUITE 1000 • LOS ANGELES, CA. • 90005 • 213/385-

August 27, 1975

Mr. Curt Berklund, Director
Bureau of Land Management
Department of the Interior
Washington, D.C. 20240

RECEIVED

SEP 9 1975

DIVISION OF MINERALS
ENVIRONMENTAL ASSESSMENT

Subject: Comments on Final Programmatic Environmental Statement on
Increased Outer Continental Shelf Leasing Final Environmental
Statement 1975

Dear Mr. Berklund:

The Southern California Association of Governments has received and reviewed the Programmatic Final Environmental Statement on the Outer Continental Shelf and wishes to submit the attached comments on it. The attachment includes previously transmitted OCS policies adopted by the Association on January 9, 1975 and staff comments, each one relating to perceived deficiencies in your document.

I congratulate you and your staff on making great improvements in the final statement over the draft. However, there are still a number of unresolved issues which need to be addressed before any decision is made on the nationwide leasing program.

Specifically the Southern California sale #35 now scheduled for October 1975 should be postponed until a proper Final Environmental Statement addressing unresolved issues is completed and these issues resolved.

Very truly yours,

James A. Hayes
James A. Hayes
President

JAH:BMF:em

Encls.

Comments on Programmatic FES 75 on OCS by Southern California Association of Governments.

The following policies on OCS exploration and development (in capitals) were adopted by the Association's Executive Committee on January 9, 1975. Following each are staff comments relating these to the environmental document.

1. SCAG URGES DESIGNATION OF THE OUTER CONTINENTAL SHELF IN SOUTHERN CALIFORNIA AS A NATIONAL PRESERVE WHICH WOULD ONLY BE USED FOR OIL EXPLORATION AND EXTRACTION IN THE EVENT OF A NATIONAL EMERGENCY DECLARED BY CONGRESS.

Staff Comments

The FES on Page 1, Vol. 1 proposes a schedule of six sales for 1975 and six per year for the period 1976-79 including some or all frontier areas. Southern California is a frontier area. The revised schedule proposes a sale in Southern California in October 1975. This is clearly in conflict with the above policy. SCAG policy supports Alternative II (Vol. 2, P. 341), Leasing Frontier Areas in a Different Sequence, which supports the principle of "save the worst for last" and provides additional time to gain experience in frontier and deep water leasing, improved protection techniques and revisions to the 1953 OCS Act.

2. SCAG STRONGLY OPPOSES THE AWARD OF OFFSHORE LEASES UNTIL:

- A. A COMPREHENSIVE NATIONAL AS WELL AS REGIONAL, ENERGY POLICY HAS BEEN PROMULGATED.

Staff Comments

Alternative D, Postpone Decisions About the OCS Until a Comprehensive National Energy Plan is Developed (Vol. 2, p. 292), briefly considers the development of national energy policy prior to OCS leasing and the possible environmental effects of this action. The three short pages of discussion which merely dismisses this concept is completely insufficient for such a major subject. We disagree with the statement on page 650 that a piecemeal approach is as effective as a coordinated one based on a policy framework. Regional energy policy would relate to the site specific EIS.

- B. THE CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION AND OTHER APPROPRIATE STATE, REGIONAL AND LOCAL AGENCIES HAVE REVIEWED THE U.S. INTERIOR DEPARTMENT'S PROPOSED OIL DEVELOPMENT PROGRAM.

Staff Comments

Each of these agencies has had a chance to review the program, and comment as they felt proper. We feel, in addition, that the coastal states should have the opportunity to complete their coastal plans under the Coastal Zone Management Act before the leasing decision is made and lease sales are held. Contrary to DLM arguments on page 339 and 650 of Volume 2, it is our opinion that the plans need to be considered (along with the required federal conformance) before leasing, rather than wait until 1977 or 1978 and then forcing the government to deal with the consequences of the decision.

The proposed creation of an OCS policy advisory board does not seem to be a very effective mechanism for local input.

2363

- C. CONGRESS HAS ENACTED NEW LEGISLATION STRENGTHENING EXISTING LAWS RELATING TO DRILLING AND DEVELOPMENT ON THE OUTER CONTINENTAL SHELF.

Staff Comment

The Association has supported H.R. 6218 and urges that the lease decision be delayed pending its enactment or that of a similar bill. This legislation is supportive of a number of rational OCS policies. It should be in effect when the program is begun, rather than try to fit the ongoing program to it later.

- D. ENACTMENT OF CONGRESSIONAL LEGISLATION REQUIRING OFFSHORE DRILLING REGULATIONS TO BE AT LEAST AS STRINGENT ON ENVIRONMENTAL CONSIDERATIONS AS THOSE CURRENTLY IN EFFECT IN CALIFORNIA OR OTHER COASTAL STATES.

Staff Comment

This statement also argues for the delay of the lease decision until revised OCS legislation is passed.

3. ASSOCIATION POLICY ALSO DECLARES THAT ANY NEW FEDERAL REGULATIONS SHOULD NOT PRECLUDE CALIFORNIA OR THE OTHER STATES FROM ADOPTING STRONGER OFFSHORE DRILLING REGULATIONS IN THE FUTURE OR PREEMPT EXISTING STRONGER STATE RULES.

Staff Comment

This should be a part of any legislation. In addition, it should be part of any lease agreement, requiring that the lessee follow either federal regulations or those of the nearest coastal state, whichever is stricter.

4. THE FEDERAL GOVERNMENT SHOULD MORE CLOSELY INVOLVE STATE AND LOCAL GOVERNMENTS IN EVERY STAGE OF THE DECISION MAKING PROCESS ON ENERGY POLICY AND OFFSHORE OIL DRILLING.

Staff Comments

This simply has not occurred. The draft EIS was prepared without much state and local input. After the February hearings, the comments from the various agencies were reproduced in the final hearings, the comments from the various agencies were reproduced in the final EIS but many of them, such as those from the Southern California Council of Local Governments in which SCAG participates, were glossed over. There has been very little involvement by state and local agencies anywhere in this process.

5. FURTHER EVALUATION BY INDEPENDENT EXPERTS SHOULD BE CONDUCTED ON THE ENVIRONMENTAL IMPACTS OF OFFSHORE DRILLING SO THAT THE FULL EFFECTS CAN BE KNOWN AND PROPER ENVIRONMENTAL SAFEGUARDS CAN BE DESIGNED.

Staff Comments

The document states in various places and contexts that many of the potential environmental effects of OCS production are unknown or little understood.

Since the stakes are so high, it is imperative that the unanswered questions be fully addressed to prevent serious disruption. Some of these gaps will be cited in the following section of general staff comments.

6. IF OIL RESOURCES DEVELOPMENT ON THE OUTER CONTINENTAL SHELF IS TO BE ALLOWED THEN THE FOLLOWING SHOULD APPLY:

- A. THE FEDERAL GOVERNMENT SHOULD REEVALUATE THE PRESIDENTIAL MANDATE DIRECTING THE RAPID LEASING OF THE OUTER CONTINENTAL SHELF FOR EXPLORATION IN THE LIGHT OF ENERGY POLICY AND DELAY THE LOCAL LEASING DECISION UNTIL OFFSHORE OIL DRILLING IS FULLY EVALUATED AS PART OF AN ENERGY RESOURCES DEVELOPMENT PROGRAM.

Staff Comment

We note with satisfaction that the 10 million acre figure has been dropped in favor of a scheduled series of sales. However, we must repeat our belief that the program must be conducted as part of an overall energy policy. The importance of the OCS resource is far too great to utilize independently of other energy considerations.

- B. SITES OFFERING THE BEST PROSPECTS FOR OIL RECOVERY AND LEAST SENSITIVITY TO ENVIRONMENTAL DISRUPTION SHOULD BE DEVELOPED FIRST. CONSIDERATION SHOULD BE GIVEN REQUIRING THAT SUCCESSFULLY BIDDING COMPANIES DEVELOP HIGH AND LOW YIELD SITES SIMULTANEOUSLY TO MAINTAIN A CONTINUOUS AVAILABILITY OF HIGH YIELD SITES OVER TIME, ALONG WITH SUFFICIENT OIL PRODUCTION.

CONSIDERATION SHOULD ALSO BE GIVEN TO THE FEASIBILITY OF REQUIRING SECONDARY AND TERTIARY EXTRACTION TO FULLY UTILIZE THE RESOURCE. AT THE TIME OF EXTRACTION, MONITORING AND MANAGEMENT OF OIL LEASES SHALL CONSIDER MAXIMUM UTILIZATION OF OIL RESOURCES CONSISTENT WITH SOCIAL, ENVIRONMENTAL AND ECONOMIC PARAMETERS.

Staff Comments

Again, this statement supports Alternative N. Alternative Leasing Sequence. Secondary and tertiary extraction are briefly mentioned on Page 215, Vol. 2 in connection with increased onshore production. We wish to stress that the practice of "highgrading" must be discouraged and complete extraction of hydrocarbons, as long as economically feasible, must be encouraged and the environmental effects considered.

The last part of the policy statement is of site specific concern.

- C. ALL LEASING DECISIONS SHOULD BE MADE IN CONFORMANCE WITH LOCAL GENERAL PLANS AND WITH LOCAL CONSULTATION TO ENSURE MINIMUM CONFLICT AND PROPER CONSIDERATIONS OF SOCIO-ECONOMIC AND LAND USE EFFECTS AS WELL AS ESTHETIC CONSIDERATIONS ALONG WITH SUFFICIENT REFINERY AND PIPELINE CAPACITIES.

Staff Comments

The major thrust of this policy is site specific to Southern California. However, we again stress that the nationwide program decisions must consider local concerns.

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- D. ALL LEASING DECISIONS AND SUBSEQUENT DEVELOPMENT OF PIPELINE AND REFINERY FACILITIES SHOULD INCORPORATE THE STRICTEST MEASURES TO PREVENT ANY DETERIORATION OF THE REGION'S AIR QUALITY.

2365

Staff Comments

Air quality planning and regulation are of regional concern. The EIS, beginning on Page 217, Vol. 2, devotes all of less than three pages to this subject. Less than two pages, beginning on Page 263 discuss the unavoidable impact of deteriorating air quality. A great deal of work needs to be done on this issue of vital national importance.

- E. ON ALL TRACTS, SITE-SPECIFIC STIPULATIONS SHOULD BE MADE TO PROTECT THE NATURAL ENVIRONMENT AND FOR ESTHETIC CONSIDERATIONS.

Staff Comment

This is of site specific concern.

- F. THE FEDERAL GOVERNMENT SHOULD CONSIDER DOING EXPLORATION DRILLING ITSELF BEFORE SELLING LEASES TO PRIVATE INDUSTRY. THIS COULD LEAD TO MORE EFFICIENT LEASING PROCESSES.

Staff Comment

This policy supports Alternative J - c. in Vol. 2, Page 354. It needs much fuller development than the one paragraph it received.

- G. SIGNIFICANT PORTIONS OF THE OIL BEARING STRATA SHOULD BE HELD AS NATURAL RESOURCES AND NOT DEVELOPED UNLESS FUTURE EMERGENCIES REQUIRE.

Staff Comment

This relates to policy #1, but is intended to be site specific, holding that not all oil bearing tracts in a sale area should be leased, but some should be held for the future. This policy would be partially in support of the Conservation Alternative.

Additional Staff comments on the FFS not directly related to adopted policy. They are intended to highlight problem areas which should be resolved before decisions are made.

Volume 2

Page 14 We agree that it is very difficult to rank relative environmental risk in each area. Still, it may be possible to rank order cumulative resource value since they cannot really be equal, at least by some means of measurement. The EIS should make some attempt at this with the appropriate qualifiers.

Page 25 Camouflage of structures to "look like islands, lighthouses etc..." Beyond the three mile limit would be very difficult and more intrusive than the structures themselves.

Page 93, Table 117 The evaluation of oil spill hazards for Southern California and other Moderate to High areas argues for a delay in the sale #35 until the low risk areas are developed.

Proximity Analysis again argues for a delay in the Southern California area because of the high risks.

Pages 146-151 2366 Much more needs to be known about the effects of chronic oilings. The subject is passed over in this section.

Page 197 This is a specious argument. Most Southern Californians do not wish simply to block refinery construction or other aspects of OCS production. The air quality problems in this air basin are critical and must be resolved soon to maintain and improve the health of its residents. Blocking refinery construction is one way of preventing further deterioration of air quality but responsible officials would much rather work with the federal government and oil companies so that leasing and development, if necessary, is done properly and that any needed facility construction be done in accordance with local plans and concerns. In addition, Page 196 mentions the importance of refinery location near the market not the source. Here they are together.

Pages 209 - 212 The two studies cited show that OCS development would result in large net costs to state and local government in Texas and Louisiana. The EIS does an ineffective job in attempting to refute them. Stronger evidence needs to be presented on the costs and benefits to governments in coastal states.

Page 238 - 242 The Oil Spill Risk Summary table and its explanation are incomprehensible to the average reader.

Page 243 - 249 The question of cumulative impacts is vital and virtually nothing is known or reported about it. It must be better done to make a valid analysis and decision.

Page 250 - 261 This chapter on mitigating measures is deficient especially considering the complexity of the environmental impacts.

Page 262 - 275 This chapter on unavoidable adverse effects is very general and very difficult to analyze. It seems to say that the effects will somehow be adverse to an unknown degree depending on unforeseen conditions. Again, much more needs to be known since the impact of very serious adverse effects could have far-reaching consequences.

Page 276 - 278 The two and one half pages devoted to the consideration of the relationship between local short term use and maintenance and enhancement of long term productivity is completely insufficient. There are no statements of any value here.

The same can be said for the 3½ pages given to the irreversible and ir retrievable commitment of resources section. Special attention should be paid to the unanswered ethical question of using depletable resources or saving them for future generations.

Page 283 From the methodology used here, it becomes clear that better estimates of total recoverable resources must be made in order to properly evaluate environmental consequences of OCS development and the proposed alternatives. Basing an analysis on the figure of 10 Quads per year may seriously skew the results because it is just an estimate of undiscovered resources, not the results of a survey. The actual amount may be less or more, and the relative impacts of the alternatives vary accordingly. Further, it would be much better if the analysis were based on energy need or consumption estimates, rather than on the amount of oil and gas which may be available.

Pages 283 - 357 Many portions of the section on alternatives to the proposed action are well done. Association preferences for some of them are indicated in the previous policy discussion. Staff strongly feels that a much fuller development of the alternatives and their environmental consequences is needed in order to better evaluate them against the proposal. Some of them, as is stated in the document, are very attractive alternatives to the proposed leases and should not be dismissed in a few pages. Of special importance is a more detailed consideration of the Conservation Alternative (given 3 pages) and combinations of the various alternatives. Currently they are discussed as though they were mutually exclusive with no attempt to aid the reader in considering how some of the possible combinations would work. It would seem that a balanced energy program would be based on some form of combination. It is not enough to say that such considerations are outside the scope of the EIS. This document evaluates a very major step in the national energy picture and thus is the logical place to begin such an analysis.

I am sure of this opinion after we
 told that investigation of our
 work would be undertaken by E. P. R. at
 Edison N. J. establishment. There is
 no report or word from E. P. R. on
 matter and we wonder what validity
 position has.

position does. The concern of our
reading this matter was of enough interest.

[illegible]

2360

2/11/71

Gentlemen, I have good news for you. - I have a few things to
a few points to make that you have not heard before. So
much for the good news. I leave it in my intention to engender a
sense of shame among the government officials involved in making offshore
oil drilling a horrible reality and, hopefully, to scare the hell
out of the residents of the Eastern seaboard.

Please understand that the Marine Environmental Council of
Long Island is a national organization. Representing 71 established
groups on Long Island, we are not committed to turning nature into
a museum. We understand the process of progress, development and
meeting human needs.

Although I will not address myself to the ecological factors
involved, the importance of maintaining the well-being of wildlife,
food chains, sports and commercial fishing industries, recreation, eco-
nomics, and so on, we are concerned.

But you already know that. You've heard all about wetlands and
oil covered ducks and ruined beaches. The scenes on television of
the aftermath of the Santa Barbara disaster were a truly gruesome
horror show. But you already know that.

We are concerned here not with human pleasure or human profit;
we are talking about human life.

I will offer evidence to show that offshore oil exploitation
will create a real, definite danger to the life of everyone who
ventures onto our east coast beach in the future.

No--I am referring to the hydrocarbon-carcinogen syndrome
established by the Food and Cosmetics Administration. Cancers
are relatively common and, consequently, not very dramatic to
the public.

I am talking of the probability of epidemics affecting
hundreds, perhaps thousands of people at the same time, accompanied
by the drop of death.

It will be apparent that we trace, step by step, the events
are circumstances that lead to our conclusion. I will be as brief
as possible, but you will have to bear with the details.

During March and April of last year, a marine biologist associated
with our organization was at Long Beach and collected a considerable quantity of tar balls
from Long Island's Rockaway County. Similar finds were also made at Long
Beach and Atlantic City, further to the west.

The environmental protection Agency responded quickly and
took samples. They discovered that the oleaginous slime inside
the balls was saturated with a fecal coliform bacteria count
of 2,400,000 per 100 milliliters of water. The EPA standard sets
a maximum allowable level of 200.

In New York, a Dowling of the EPA, Region II, told me that
he 2,400,000 was not accurate. Dowling explained that
he oil, of unknown origin--probably from a tanker that had blown
its bilge--had floated over the sewage dump site and had "picked
up a load of bacteria." The oil, Dowling said, acted as a natural
incubator, since the fantastically high bacteria count.

Dowling also explained that no testing is done for pathogens or
viruses because "there is no reliable tests."

Another EPA scientist, whose name I do not recall but Dr.
Inger seems to agree to this, mentioned that the real reason that
no testing for pathogens is done is because "if we find one pathogen
at the New York Times finds out about it, there will be panic."
According to Dr. Inger, "We know there is something wrong when
people start getting sick." I cannot be sure of the name, but
am absolutely certain of the accuracy of the quote.

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We have established, up to now, by statements from experts, that oil floating over a sludge dump will pick up a load of microbes, by the time the spill has reached shore, the natural incubation effect will increase the count to the extent of one million times, or more.

Now, on to the next chapter of the horror story.

On January 14, this year, I attended a lecture by Dr. John B. Pearce at Hofstra University, in the course of which he revealed a startling bit of information.

This news article sums it up. From the January 23 issue of the Long Island 2 "Observer" newspapers:

"If the learned doctor had been doing a comedy routine, his usual remark would have qualified as a 'throw-away line.' In the context of his discourse however, Dr. John B. Pearce's off-hand statement was serious, deadly serious. The topic was ocean sewage sludge dumping as a threat to Long Island's South Shore beaches and bays. Pearce, director of the Sandy Hook Laboratory of the National Oceanic and Atmospheric Administration, was the featured speaker at the program sponsored by The Atlantic Coalition at Hofstra University. Projecting a map of the New York Bight, Pearce identified a marked portion immediately adjacent to the Area 2 dump site as 'prime art oil drilling area.'

I have here a copy of that map to which I have added the 'prime drilling area.' I offer it for the record. It might be marked 'victim's Exhibit A.' sludge

As noted, the present dump site will be phased out starting this Spring. Dr. Pearce mentioned that areas A-1 and A-2 will be used alternately for 45-day periods each. With a total volume of 3 million cubic yards daily predicted by EPA, we can be sure that there will be no shortage of sewage sludge at either of the two sites.

I traced the history of the tar balls, as I have done here, and asked Dr. Pearce for his opinion on the obvious danger posed by the inevitable spills which must necessarily occur as a result of drilling for oil. That assurance was given us by the October, 1974 Environmental Impact Statement by your own Department of the Interior, which stated that "sooner or later a major spill will occur wherever there is significant development of offshore exploration and production in potential areas. We are certain that thousands of minor spills will occur."

Dr. Pearce spent all of ten minutes in not answering me, but to do know now about a study done of Newark Bay by Dr. Charles Gordin in 1971.

Actually, I am unjustly faulting the good doctor. He did answer me. About a week after the lecture I received in the mail a copy of the Marine Pollution Bulletin of May, 1974, which contains an article entitled, "Antimicrobial-Resistant Coliforms in New York Bight." Much of the information in the article is drawn from studies made by Dr. Pearce.

Microbial life, the article shows, will develop strains that are resistant to the bactericidal effects of salt sea water and will also resist antibiotics. "Some of the isolates were shown to transfer antibiotic resistance during conjugation with a recipient strain of *Salmonella gallinarum*." How's that for a happy prospect--swimming in a sea of salmonella.

The article further points to the "fallacy of assuming rapid decomposition and dilution of sewage sludge in the marine dump sites..." Here's another cheering thought--if you're a worm. "Many antibiotic resistant strains are highly transmissible between non-pathogenic and pathogenic donors and recipients...these strains are resistant to a wide spectrum of antibiotics and

...antimicrobials and the host organisms have great survival advantage in hostile environments."

2372 The antibiotics to which reference is made is the stuff that shot into you when you get sick, like chlortetracycline--the generic name for Aureomycin.

You know, of course, that smog is a word made up of the combination of smoke and fog. Considering the main component of sewage sludge and an oil drilling area next to a sewage dump, we must realize that we are here dealing with shoil.

To sum up--we have established the incubation effect of oil on microbes. We have established that strains, some of them pathogenic, have developed and are developing, that are resistant to the effects of antibiotics.

Ergo: Whatever it is that you are infected with by swimming in pathogen-polluted water, will resist treatment by the major medical weapon now available.

Incidentally, if a beach has been coated with oil, it can be cleaned up cosmetically, but how do you disinfect 100 miles of sandy beach? Get a crop dusting airplane to spray mercurochrome?

If we haven't convinced you that the danger of offshore oil drilling goes beyond producing an adverse effect on the environment and killing a few ducks, we hope that we have raised enough doubt so that the potential for tragedy will be seriously investigated.

Undoubtedly, ~~you~~ industry spokesmen, of the fail-safe technology, and heard other assurances of government policing policies to guaranty safety enforcement.

We recommend a careful reading of the 19th Report of the House Committee on Governmental Operations, #93-1396 and the November, 1974 report of the Committee on Commerce entitled, "Outer Continental Shelf Oil and Gas Development and the Coastal Zone."

If that is too much to expect, I have here copies of a letter from EPA, dated January 8, 1975 and the Department of Justice, dated January 15, which reveal the unbelievable--no, strike that--based on ~~my~~ 20 years of personal experience as a participant in federal bureaucracy, I must call it believable, cross and counter jurisdictional mish mash among the agencies charged with supervision, surveillance and enforcement. The quibbling and squabbling revealed in the reports and alluded to in the correspondence are quite normal. But, unfortunately, hardly reassuring to us, the potential victims.

Of the hundreds of major spills and the thousands of minor ones, in only one case was the perpetrator fined--and that was eventually rescinded because the Interior Department "determined that enforcement proceedings under section 5 were not warranted." (Page 68, Committee on Government Operations.) The letter from the Department of Justice further explains the basis for governmental impotence.

Do we really need the additional oil? I'm sure that you are familiar with the monumental study made by the Ford Foundation. Offering a mass of documentation and other evidence, the study, released in October 1974, concluded that offshore oil exploitation was not necessary. And, may I remind you that the President's budget for the next fiscal year contains an item of \$2.2 billion for research and development of alternate sources of energy. May I also remind you that industry spokesmen have said that it would be from 7 to 10 years before any real production could be realized from offshore drilling.

May I remind you that \$2.2 billion is about three times as much as was spent on the Manhattan Project. With the obvious crash represented in the proposed huge expenditure could we not

companies? Will Exxon and Mobil buy the Brooklyn Bridge? Do we really need the additional oil that

We have a Federal Energy Administration and a National Petroleum Council to advise the administration on what we need and what we have available to fulfill those needs. But both the FEA and the NPC get their information on reserves, that is, how much oil we have and can hope to produce, from the American Petroleum Institute, a wholly owned, wholly controlled propaganda creature of the oil industry.

~~XX~~

And who sits on the FEA and NPC? Almost all of the members are oil industry executives.

Has the government ever conducted

Has the government ever conducted an independent survey? Never. Such a study would be impossible under present conditions. We are not suggesting that the gentleman

We are not suggesting that the gentlemen who serve on these agencies are dishonest. But, you see, there is a mind set that influences the thinking of human beings. We can't expect an oil executive to think like a butcher any more than we can expect the API to come out against oil depletion allowance.

We have also heard much in the not so distant past about the problem of domestic refinery capacity. We can get the raw material, we have been told, but we can't get the stuff processed fast enough. That was one of the reasons for the long lines at the gas stations.

Why then is the ~~Industrious Energy Administration~~ subsidiary of the American Petroleum Institute, known more familiarly as the Federal Energy Administration, suppressing a report that reveals that our domestic oil companies are curtailing expansion plans for domestic refineries? What will they do with the tons of crude oil that they hope to extract from the Baltimore Canyon--ship it to overseas refineries for processing by cheap labor? Oh no, not our patriotic, non-tax-paying true blue American oil companies. But you already know about the oil industry.

But you already know about the oil industry. Obviously you must know that the oil industry is an entity, a culture, an ideology, unique unto itself.

What are you doing here? What are we doing here? We can be assured that leasing and production will follow with no consideration for the human beings who will have to suffer the consequences. The board of directors of the Marine Environmental Council of Long Island came to the conclusion that it is necessary to get into the record, the information concerning the definite probability for the spread of disease through the oil-sludge combination that we will have to contend with.

Sleep well, gentlemen.

RF28-(0901-1)-471

Date: February 1975

2374

To : Dr. William Aron, Director
Office of Ecology and Environmental Conservation

From : Robert E. Burns
Acting Director *Robert E. Burns*

Subject: DEIS 7410.58 - Proposed Increase in Oil and Gas Leasing on the OCS

UNIT OF GOVERNMENT
National Oceanic and Atmospheric Administration
ENVIRONMENTAL RESEARCH LABORATORIES
Pacific Marine Environmental Laboratory
3711 - 15th Avenue N.E.
Seattle, Washington 98105

FEB 1 1975

The NOAA Pacific Marine Environmental Laboratories has reviewed the subject document and is pleased to provide the following comments:

General Comments

For background data, the authors have cited one or a few studies in a variety of disciplines in each geographic area. The "results" are inevitably based, then, on a very few samples. There is no discussion at all about specific or seasonal variability, no correlation of distributions or processes with physical and chemical data, and no consideration of methods and techniques in the few comparisons that are made.

The DEIS concludes that "it is difficult to predict" impacts (e.g., 2:157-161). We suggest that it would be appropriate in the statement to recommend and suggest broad new programs to provide needed baselines. The Statement mentions "unavoidable adverse environmental effects" (2:304), and imply that whatever these adverse effects might be, technology will provide the solutions ("Although the application of stringent environmental and safety criteria pose problems, the industry either has or can develop the required physical technologies and procedures ..." 1:135). We suggest the EIS discuss whether the environmental criteria are problems or solutions.

There is also an implication that further studies would be a wasted effort: "A central feature of many of these (environmental) studies is that they are never really completed in the sense that they rarely reach definitive conclusions To delay the sale on the basis of incomplete studies would require an indefinite delay . . ." (2:339). This argument merely indicates that the environmental impact questions must be more sharply defined in the studies, if Administration goals are to be reached in a timely manner.

According to the Federal Register 39(98):17777-9, this Environmental Impact Statement was to have described the "monitoring of actual and threatened environmental effects of lease operations; . . . the environmental settings; . . . the potential environmental impacts of the proposed action, offshore and onshore, including without limitation matters such as the cumulative impact of oil and gas operations . . . ,

impacts on competing uses of OCS resources, the effect of the proposed action on the level of environmental study prior to leasing, ..." Some of these points are not addressed, and none are dealt with in sufficient detail.

The Federal Register (loc cit) also stated that the EIS would evaluate "The view --that the considerable OCS development which has occurred to date has not resulted in long-lasting, unacceptable . . . impacts." This seems to be a principal theme of the EIS, however, the data cited for these areas do not support the implication of no long-lasting unacceptable impacts. It is admitted (2:159), for the cited Gulf of Mexico areas, that "effects were not studied in any detail at the outset." In any case, populations and processes in the Gulf of Mexico can probably not be extrapolated, say, to the Gulf of Alaska.

Moreover, the authors have mentioned various local stresses to sewage and other perturbations, but they do not address what added stresses (perhaps due to OCS development) might do in those already marginal cases. There are strong statements that oil spills are by far the worst sorts of impacts to consider here, but that since they are irregular in time, the resilient environment will absorb these impacts with no long-lasting effect (e.g. 2:157). The interesting view held by many environmental scientists, that long-term, low-level (chronic) additions of contaminants may be far more serious, requires more discussion and analysis.

The Federal Register (loc cit) also states that "the Department (of Interior) has no intention of leasing anywhere on the OCS if it cannot be accomplished in an environmentally acceptable way." The EIS, however, states that "The intention of the Department is to lease 10 million acres in 1975." These two statements can only be self-consistent if the large uncertainties in the magnitudes of environmental impacts are reduced by measurement programs and the more precisely defined impacts found to be "acceptable" prior to commitments for leasing.

In summary, the data cited in the DEIS do not support the conclusion that leasing can or will be made environmentally acceptable; they do not provide insight into processes and understanding of the environment; and they do not support the decision to proceed rapidly with the OCS leasing. Buried in the EIS are some key admissions, one of which is (2:265) that "impacts . . . are impossible to determine. Extensive baseline data must be accumulated from the literature and field, and follow-up monitoring studies conducted" That there is no basis for prediction should have been emphasized. In fact, given the present state of "baseline" knowledge, it would probably be difficult to detect impacts even after development, unless they are catastrophic. The EIS acknowledges that at least 2 years would be required to conduct minimal baseline studies (2:342-3).

One can only conclude from the Draft EIS that if development begins in 1975, it will not be possible to predict environmental impacts, and it will not be possible to delineate areas of greatest concern nor meaningful to speak of evaluating significant environmental factors. There are insufficient standards for "early warning systems" for monitoring and possibly altering techniques. There is no mention of special experimental studies to illuminate cause and effect relationships; particularly in recruitment of populations, the chronic effects of contaminants, and the possibly great effects of drill cuttings and/or drill-mud components. It would have been appropriate to admit these shortcomings and to propose necessary research.

Specific Comments

Vol. 1, Page 138: 60-day sampling period should be repeated seasonally for microbial biomass and zooplankton. Fish and primary productivity should be included. This is not an adequate biological baseline. Should include special habitats-- reefs, mangrove swamps, etc.

Page 139: Hydrographic data alone is unlikely to enable predictions of impacts to organisms (except in a gross way).

Pacific Ocean

- p. 407, 4th para - The sentence reads "Cloud cover is about 10 to 20% greater off northern California". Clarification of the comparative "greater" would be helpful.
- p. 408, 1st para - Relative humidity doesn't exceed 100%. Only reaches 100% so that vapor is converted to liquid water.
- p. 409, 2d para - The Statement is inconsistent, in that gales off southern California are first described as coming invariably from the south; then later a statement is made that gales have no predominant direction.
- p. 410, 1st para - Poor definition of specific heat. A more accurate definition is "the amount of heat required to raise the temperature of one gram of water 1°C".
- p. 410, 3d para - What temperature scale is being used (Fahrenheit or Celsius)

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4

- p. 412, 2d para - Elliott is misspelled.
- p. 412, under precipitation - Mention should be made of the seasonal pattern as a function of latitude. For example, off Vancouver Island; maximum precipitation is typically in December, off Oregon usually in January, and in central and southern California frequently March.
- p. 415, 1st para - The Statement is in error, in that Coriolis force is not a transport and does not cause water to rise. A more accurate description might be that "There is a new transport of water to the west caused by the Coriolis force. This condition requires that the surface water be replaced by deeper, colder water from below."
- p. 415, 2d para - Columbia River plume is not "somewhat" fresher than ocean water -- it is much fresher.
- p. 419, 2d para - A more accurate sentence might read: "This water is away from the influence of the California Current, and evaporation exceeds precipitation causing the salinity to increase."
- p. 420 & 421 - Ship drift reports (on which Fig. 75 is based) are not necessarily indicative of currents off our coast. The statement that there is a marked seasonal difference in the region of divergence of eastward flow is not supported by the flow shown by Dodimead et al. There are differences but no real evidence that they are seasonal.
- p. 422 - Two points should be added on currents: 1) that local wind drift currents may be stronger than any flows discussed in the Statement, and 2) that during strong coastal upwelling, a narrow southward flow (perhaps up to 1 knot) may be present on the continental shelf a few miles from shore.
- p. 423 - The statement that the tidal wave moves from south to north along the coast is a little strong until deepwater measurements are made. The data suggest that this occurs.
- p. 424, 2d para - A better phraseology might be: "from lightships on the continental shelf."
- p. 424, 3d para - The phrase should be revised to: "that are more regular and symmetrical".

Page 430: Upwelled water is higher in NO_3 than Columbia River water. Generally Pacific coastal rivers are low in nutrients except for silicates and in some cases phosphate. Nitrate, however, is the key limiting nutrient.

Nitrogen (NO_3 , NO_2 , NH_3 and organic N) sources in rivers are from agricultural or domestic pollutants. High production in Columbia River plume involves more complex dynamics of stratified water and entrainment processes.

Page 432: Day (1971)¹ found highest zooplankton biomass at outer edge of continental shelf. This and other facts may be important in predicting impacts of OCS energy activities. There has not been care taken to interpret such information in an impact prediction.

Page 439: Did Pereya and Alton (1972) conclude that organic carbon was "responsible for epifaunal distribution? Or "associated" with it?

Gulf of Alaska

p. 499, 4th para - Leave off percent.

The sentence "Several locations . ." is gramatically wrong and unclear.

p. 501, 5th para - The statement about solar radiation should be explained or substantiated.

p. ~~504~~, last para - Fig. 98, not 18.

p. 510, precipitation - The statement should discuss the possibility that offshore precipitation may be quite different than over land.

p. 510, 2d para - Figs. 99 and 100 show . . "

p. 513, 3d para - Winter temperatures are generally appreciably less than 45° in the western Gulf.

p. 519, 2d para - Last sentence here is in error. The speeds in the Alaskan Stream are high because of vorticity considerations just as in western boundary currents.

- p. 519, 3d para - The term, "density gradients" should be used instead of imbalances.
- p. 521, 2d para - The term "cause" would be more appropriate than "driving forces".
- p. 521, 4th para - The words "Amukia pass" should read "Amutka pass". Also, most of the water flows into the Bering Sea west of Amchitka pass, and there is little evidence for any consistent northerly flow thru the eastern passes.
- p. 523, 3d para - Data suggest that the tide moves in a NW direction. The second sentence should be omitted because this feature is in no way unique to this area.

Page 529: (1) Larrance (1971) has been misinterpreted here. Although his data cannot be used to compare adequately coastal and open ocean production, the few coastal values in Aleutians show production at least two to four times the open ocean values.

(2) Gulland (1972) - The decline in production at Station P between 1960-65 and 1969 may be a trend or part of a cycle. In any case, comparisons from different years are of great importance to define the range of annual fluctuations and to determine natural causal environmental factors for these changes. Points up need for interdisciplinary involvement to understand ocean processes, as well as continued monitoring effort.

(3) Larrance (1971) did not work in the Gulf of Alaska proper. His estimates apply to longitudes 165°W-180°, and no further north than 52°.

Page 531: Cupp's (1937) samples were mainly coastal. These may not be representative of the entire Gulf of Alaska. More information is needed.

1/ Day, Donald: Macrozooplankton and small nekton in the coastal waters off Vancouver Island (Canada) and Washington, Spring and Fall of 1963, Special Scientific Report - Fisheries No. 619, NMFS NOAA, Washington, D. C., January 1971

2380

Date February 12, 1975

Reply to Attn of: CZ6

To W. Aron

From E. LaRoe *E. LaRoe*

Subject DEIS 7410 48 Proposed Accelerated OCS Leasing Schedule

The Office of Coastal Zone Management has reviewed the subject document and comments are provided here with:

The subject DEIS has largely overlooked or ignored the very real and significant onshore impacts, especially the socio-economic effects, that will accompany a program of this size and swiftness. There seems to be almost a complete lack of recognition that these frontier areas - be they the Atlantic or Alaskan coasts - totally lack the onshore infrastructure - material, or administrative - necessary to support this program. In view of the Council on Environmental Quality's year long assessment of OCS oil and gas impacts, with its strong determination that "onshore impacts are an important component of any OCS development decision," we can only conclude that in this 1200 page EIS the 30 pages which deal with onshore socio-economic impacts are simply inadequate in scope as well as in detail.

The limited discussion of onshore impacts which does exist is almost entirely based on selected sentences paraphrased from the CEQ report. These departures from the CEQ study would seem to represent rather broad license in reporting these potential impacts. For example, the Interior EIS states: "the significant demands for labor of all kinds would lower a local or regional unemployment rate relative to other sections of the nation. (v. II p 244). With the exception that the "would" is a "could," the same sentence exists in the CEQ report, which however then continues, "But low unemployment will not always result because publicity often attracts more workers than are needed and unemployment remains high." (p. 7-71). Similarly, the EIS concludes that in areas of OCS operations "the average per capita income of each locality would also rise." (v. II. p 244). A similar sentence in the CEQ report, however, is followed by the qualifier that "However, income benefits may not always accrue to current residents of the area but may instead go to imported labor." (p. 7-72). The EIS should examine the possibility that increased taxes and cost of living may more than offset increased income.

The passages selected from the CEQ report seem mainly those which highlight positive or beneficial onshore socio-economic impact. We suggest that not only should the CEQ findings be discussed in context, but that the entire coastal and onshore impact section should be greatly expanded and should relate the experience and conclusions which can be gained from recent reports and studies relating to the North Sea and the Gulf of Mexico.

The DEIS has failed to substantively recognize the existing role of the Federal and state Coastal Zone Management Programs and the potential these state and Federal programs offer to avoid or mitigate the onshore impacts and to resolve the very kinds of controversy which now exist over this sensitive issue.

The Federal Coastal Zone Management Act provides a means by which decisions on coastal zone uses can be made in an orderly and rational manner, balancing development needs with social and environmental requirements. The Act establishes a mechanism for coordinating the actions of all three levels of government - local, state, and Federal - into a comprehensive management program to achieve explicit, defined long-term goals.

Presently, 31 out of the 34 coastal states and territories have at least begun coastal zone management efforts. The Office of Coastal Zone Management will shortly be receiving completed programs from at least two states for review and Federal approval, and the remaining states plan to have completed their programs by the end of FY 1977.

Given the fact that it takes industry a minimum of two years to complete exploratory drilling, a basic conflict should not exist between the ongoing efforts of the states to prepare sound coastal zone management programs and the desire to expeditiously develop OCS oil and gas resources. It should be possible for state coastal zone management programs to meet their basic June, 1977 target dates before the first field development plans for frontier areas are submitted for approval to the Department of the Interior.

Because of the need for early and detailed information by the coastal state governments, we support exploratory drilling in the frontier areas, with three provisos:

First -- That planning for the exploratory stage, including the selection of port and harbor facilities and onshore support sites, be accomplished in cooperation with the affected coastal state and local governments.

Second-- That the information and conclusions derived from this drilling be shared promptly and completely with the states, in order that they may utilize the data in a timely fashion in the development of their management programs.

And third-- That appropriate and effective safeguards are observed to avoid environmental damage, for example, through stipulations attached to certain proposed lease sites and elimination of others from consideration for sale.

We feel that the OCS development must be coordinated with a comprehensive coastal zone management program, and conclude, therefore, that the discussion in Interior's EIS of the relationship of the proposed OCS leasing program to the Coastal Zone Management Act is inadequate and must be greatly expanded. The EIS ignores, for example, the impact of this Federal action on state coastal zone management efforts. Certainly OCS-related decisions today can have the effect of precluding options available to the state for implementation of its management program, by, so to speak, restricting the degrees of freedom available for action. Thus, Federal actions may force the state to develop its program in certain ways.

The alternative sections should be expanded to discuss, in a realistic fashion, just what impact coordinating the OCS actions with state coastal zone management efforts--in the way discussed above--would have on the overall energy and resource development goals.

We would like to offer the following suggestions for more detailed consideration and attention by the Department of the Interior in appropriate sections of its environmental impact statement.

The key to the success of state coastal zone management efforts and thereby to the achievement of the goals of the Federal Coastal Zone Management Act will be for the state and local governments to have full access to the information developed in the exploratory phase and to understand industry's requirements onshore. Information about pipelines, refineries, storage facilities, mobilization sites, platform construction yards, and harbor impacts, to mention some of the more obvious, is fundamental if state and local governments are to do a responsible job. These informational needs must be met in a timely and complete fashion. Armed with this information OCS development can be prepared for in an orderly fashion. Without this information, or with insufficient time to employ it in developing a management program, the possibility exists for unplanned growth, major adverse socio-economic impacts, and large-scale environmental damage.

4

The Department of Interior then, in conducting these OCS activities, should make every effort to meet these data requirements. In this respect, we urge DOI to vigorously pursue its effort to require more complete and timely disclosure, by private industry as well as Federal Government, of the relevant information needed for sound coastal zone planning and management.

We hope too that the relationship which we urge be developed with the states not be limited to the strictly pro forma requirements of data disclosure, but that it might serve as a basis for more complete cooperation and coordination between the state governments and OCS interests (private and Federal). There is a genuine need for more coordination with the consideration of state interests in the OCS decision-making process.

As indicated earlier, it is our belief that the most critical stage of OCS activities, insofar as determining onshore impacts at least, is the preparation, after exploratory drilling, of the field development plan by industry and its review and approval by Interior. This plan should provide specific and detailed information about required onshore facilities. We propose that the affected coastal state governments be made a part of the review process for this plan; that this plan which must be worked out in cooperation with, and be consistent with the state's approved coastal zone management program should be one formal mechanism for assuring compliance of industry actions with the state's goals; and further, that the field development plan approval process be accompanied by a full and complete environmental impact statement under NEPA. This last recommendation--for an EIS on the field development plan--would seem most appropriate in view of the great potential impact on the economy and environment which could accompany approval of the plan by the Department of the Interior. This step--following the public input permitted by this hearing today and the site-specific environmental impact statement at the time of individual lease sales--would greatly improve the opportunity for responsible review and input by state and local government and the concerned public.

In conclusion, then, we feel there is little dispute about the need to develop, in a rational way, our OCS oil and gas resources. There should also be no doubt, however, that the proposed OCS program has the potential for significant, adverse, onshore socio-economic and environmental impacts, especially in frontier areas. We feel that the Department of Interior's consideration of these impacts and of alternatives, primarily the Federal and state coastal zone management programs, to avoid them, is inadequate and must be expanded. We urge, too, through the changes that we have suggested the creation of a new basis for cooperation and coordination between state and local governments and OCS interests.

2894
Specific Comments:

V.II, Page 164, paragraph 1. The claim made in the DEIS, that with respect to commercial fisheries, "total catch and catch per unit effort for most species has increased [over the last 25 years]" should be documented.

The total fisheries catch indeed has increased, due primarily to the menhaden and the advent of the industrial fish processing industry, neither of which occurred to any extent in the Gulf of Mexico 25 years ago. However, because of vast new increases in fishing technology--including for example, hydraulic trawling winches, double rig shrimp trawls, and improvements in trawler reliability, size, and refrigeration capability (which permit a greatly increased proportion of ship time to be spent actually fishing as opposed to running between stations, down for repair, or in port)--fishing effort has also risen. Moreover, indications are that catch per unit effort has significantly declined in recent years.

The implication of the statement in the EIS is that petroleum operations in the Gulf have not adversely affected commercial fishing operations (or, as some petroleum industry representatives have asserted, that they have actually caused the increase in Gulf landings). Unfortunately we simply do not know whether or to what extent such operations have affected fish catch; the data are not sufficient for such an analysis. Moreover, it would be improbable that petroleum operations which are at present confined to such an insignificantly small area of the Gulf of Mexico, would have any pervasive effect.

V.II, Page 269-270. The statement that "There is no evidence that these new populations [of fish attracted to oil structures] are made up of displaced individuals from nearby populations" is misleading, although there is no evidence to the contrary, either. The statement does appear to contradict the comments that artificial reefs improve fishing success by "attracting and concentrating fish species" (V.I, p.746), and that "the population size of fish species are (sic) not necessarily increased," (V.I, p746).



U.S. DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Rockville, Md. 20852

FEB 13 1975

2385

Date : FEB 11 1975

Reply to Attn. of: MRS

To : William Aron
Director, Office of Ecology and
Environmental Conservation
From : David H. Wallace
Associate Administrator for
Marine Resources

Subject: Review of DEIS 7410.58 - Proposed Increase in Oil and Gas Leasing
on the OCS

We believe it is important to make the point that the dynamics of many ecological systems are not now known to the degree necessary that allows reasonable impacts to be drawn. Therefore, many coastal areas cannot now be assessed in terms of predicted impact because the exact interrelationships of marshlands, bays, estuaries, etc., are complicated even in the absence of impact causing factors, e.g. spills, onshore development, etc.

The DEIS addresses secondary impact by discussing onshore development, but limits this to refineries, transportation, traffic, etc. It stops short of talking about economic activities in the long term, and possible courses of events involving population plans, changed land use patterns, and social life styles. We suggest that it should be possible to predict these aspects of secondary development even in general terms and that such discussion is appropriate for consideration in the DEIS.

Possible conflicts of interest as between various offshore activities are addressed but only in the context of the knowledge of what may occur, where, and when. Thus, in discussing powerplants, offshore terminals, etc., it seems as if planning is proceeding recognizing possible conflicts but that no contingency plans to resolve these conflicts have been considered. For example, the possibility that powerplants may be operating off the east coast is mentioned, but there is no examination of possible conflict between specific plants and specific oil and gas development, with all its ramifications concerning transportation, shore development, impact, etc., e.g., off New Jersey in the Baltimore trough. This is admittedly a difficult task to tackle, but the appearance is given in the DEIS that all the offshore developments are proceeding in isolation. What happens when pipelines and tanker travel interferes with powerplant operation or vice versa?

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2386



U.S. DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
ENVIRONMENTAL DATA SERVICE
Washington, D.C. 20235

ats : February 13, 1975

Reply to Attn. of: Dx6/LAP

: Director, Office of Ecology and Environmental Conservation, EE

om : *Lewis A. Pitt*
Lewis A. Pitt
Special Projects

ject: EDS Review of DEIS 7410.58 (Proposed Increase in Oil and Gas Leasing
on the OCS)

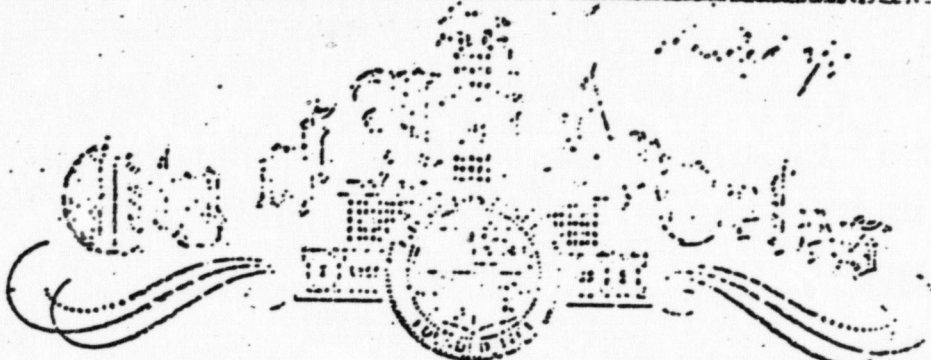
EDS has reviewed the subject DEIS. In general, the meteorological and marine geology and geophysical descriptions are adequate. With regard to the oceanographic content EDS offers the following comments:

<u>Page</u>	<u>Line</u>	
216	B5	This sentence contradicts the first part of the paragraph.
217	B8	Refers to Figure 18, which is not related to the sentence.
221	T4 & 5	Coastwise is not an appropriate term. What does it mean?
223	2	First sentence of first paragraph. Statement is contradictory. "Low amounts of estuarine effluents" do not contribute to "high salinity of shelf waters." What is meant probably is: "the absence of estuarine effluents"
228	T3	"and the cross-shelf density gradient" Statement is confusing.
232	T6	Sentence has no meaning. "As in other regions, tidal currents from other sources."
415	T6	"known as the Cariolis force" should read "as a result of the Coriolis force."

There is no list of references in the back of the report. We recommend it be included.

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2387



CITY HALL
LOS ANGELES 90012
485-3311

OFFICE OF THE MAYOR
August 22, 1975

TOM BRADLEY
MAYOR

Honorable Kent Frizzell
Acting Secretary of the Interior
U. S. Department of the Interior
Washington, D. C. 20005

Re: Proposed Outer-Continental
Shelf Oil and Gas Leasing

Dear Mr. Secretary:

On July 11, 1975 your Department released a final programmatic EIS on accelerated nationwide offshore oil and gas leasing in 1975. An accompanying press release indicates that public agencies and interested members of the general public would have an opportunity during the 60-day period after release of the document to make further comments.

The final program EIS contains several revisions, the most significant of which are the following:

1. The rationale, goals and objectives of the proposal have been substantially altered in that six offshore areas will be leased in 1975 instead of the originally proposed ten million acres, with a newly articulated strategy of leasing as early as possible those areas with the richest and most accessible potential oil and gas reserves, regardless of environmental consequences.
2. 172 pages of new information have been added on the environmental impacts of the proposed lease sale (more than double the information provided in the draft EIS), including critical estimates of the likelihood of oil spills reaching shore.

2388

CITY HALL
LOS ANGELES 90012
485-3311

OFFICE OF THE MAYOR
August 22, 1975

TOM BRADLEY
MAYOR

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COMMENTS OF RICHARD EMERSON
REGARDING FINAL PROGRAMMATIC E.I.S. ON
EXPANDED OFFSHORE OIL AND GAS DEVELOPMENT

Changes in the draft EIS

- A. Part A is an elaboration of material contained in pp. 242-249 of the original draft EIS. There is much more detail as regards employment impacts on coastal communities. The employment impacts provide some valuable information upon which part of an economic impact analysis could be based but is not itself an evaluation of the economic impacts. The impacts listed are direct requirements of various oil-related activities. The indirect effects on a particular community could be even more significant than the direct effects.

A second point worth noting is that large socio-economic impacts may come through two sources not elaborated on. The first source is local government revenues and expenditure requirements (also see B. below) and the second source is the potential change in prices and incomes due to the reaction of individuals to off shore oil production. An example of the latter impact is the reduction in property values due to aesthetic impacts or other environmental changes. Although attitudes and aesthetic values cannot be objectively quantified, the resulting economic changes can -- and they may be significant.

Page 2-

1. Part B is new. It is a critical review of two cost-benefit studies of OCS developments. The costs and benefits in the two studies refer to government revenues and expenditures. Both studies show that there is a net loss in government revenues associated with off-shore oil development. Both studies are severely criticized. Whether the criticisms are valid or not, I cannot determine without reading each study. Certainly, given only the information provided in the EIS, I cannot concur with the criticisms.

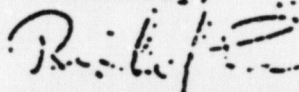
The last two pages of Part B (pp. 215-216) are extracted from p. 214 of the old draft EIS.

2. Part C is extracted directly from pp. 315, 316 of the old draft EIS.
3. Part D is, of course, new. Most is not related to economics and I cannot comment with any expertise. There are two paragraphs (p. 656) which are worthy of comment, however. First, the "diminution of land values" requires much more study and elaboration. Second, (as regards the following paragraph), OCS development, in my opinion, should not proceed until full liability on all negative impacts of such development is explicitly placed on someone. Obviously, liability is always implicitly determined (by default if nothing else); however, everyone concerned should be fully informed as to who will bear the costs before leasing occurs.

Finally, I shall make some general comments. Overall, the changes manifested by the materials I have received (Parts A-D) are responsive to some suggestions contained in my earlier testimony. However, they are rather superficial responses of questionable significance. As to the additional general issues raised by the new materials, it is increasingly evident that a region-specific EIS is essential and that the existing (and any further) elaboration on points raised during the hearings is of little value. As for specific issues raised, I find them difficult to pinpoint (perhaps because of the rather superficial tone of the material). Certainly, Part B is of little value in that it is criticism not of a constructive nature. I would like to have seen some constructive information provided.

I will forward the professional information about myself with comments on the shortcomings of the final EIS before September 1. I should have more time to organize my thoughts on this issue than as well.

Sincerely,



Richard L. Allen
Assistant Professor

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EVALUATION OF COMMENTS

RECEIVED ON

FINAL ENVIRONMENTAL STATEMENT

FOR

PROPOSED 1975 OUTER CONTINENTAL SHELF

OIL AND GAS GENERAL LEASE SALE

OFFSHORE SOUTHERN CALIFORNIA

(OCS SALE NO. 35)

2392

EXECUTIVE SUMMARY

Comments on the final environmental statement for OCS Sale No. 35 were received from agencies of the State of California, two regional California governmental agencies, one oil company, one environmental group, and the Environmental Protection Agency. These comments reflect many of the same concerns which have been expressed by numerous individuals and organizations since the publication of the draft environmental statement. The major issues emphasized by these comments are these: (1) There is concern that deepwater technology does not exist to safely develop the large amount of deepwater acreage proposed for leasing; (2) There is concern that OCS operations in the southern California area will significantly affect the air quality in one of the most polluted air basins in the country; (3) OCS operations in southern California will have important onshore manifestations, so State and local authorities want a greater voice in decision-making regarding the proposed sale and consequent activities; (4) The areas of special biological value must be protected from the known and the as yet unknown potential adverse consequences of OCS operations.

Numerous other comments dealt with alleged inadequacies or inaccuracies in the data and analyses presented in the final EIS concerning seismic hazards, mitigating measures, possible conflicts with military activities, and the need for a National energy policy.

Deepwater Technology. Much of the acreage proposed for leasing in proposed OCS oil and gas lease sale No. 35 is in deep water. Although industry is continuously extending their technological capabilities to deeper water, there is not now proven technology that could be used for the development of many of the deeper tracts in this sale. The final EIS states that, should deepwater tracts be leased, the Geological Survey would withhold approval of development plans if it is determined that deepwater technology and procedures present an unacceptable environmental risk. However, the Resources Agency of California feels that deepwater technology must be proven before deepwater drilling is permitted since, as they see it, once a lease has been sold, development cannot be prevented. The Environmental Protection Agency urges deferral of deepwater leasing pending gradual development of deepwater capabilities through a phased development or prototype program. Should this approach not be taken, they urge prompt formulation of deepwater operating orders to give the Department adequate control over deepwater technology.

Air Quality. The southern California area has severe air pollution problems. The possibility of OCS operations adding to these problems is a major concern of State and local authorities, since air quality is expected to deteriorate still further whether or not this proposed sale is held. Comments from the Resources Agency of California criticize the lack of quantification of emissions which might result from the proposed OCS sale and offer an assessment of air quality impacts they expect to occur. The Southern California Air Pollution Control District provides a quantification of the emissions that would result from a massive oil spill and subsequent fire.

Onshore Impacts. Air quality, land use, socio-economic conditions, and recreation in coastal southern California, matters of concern to State and local planners and authorities, would be potentially affected should this sale be held. A preliminary coastal zone management plan will be submitted to the State Legislature for approval in December 1975. The Environmental Protection Agency urges that no OCS development plans be approved until a State Coastal Zone Management Plan is approved. The Southern California Association of Governments favors Alternative VIII.E.2., in the final EIS which would provide for State review of development plans. However, they feel local authorities should also be involved in this review, that this would allow for better intergovernmental coordination, and would result in less overall adverse impact. They also urge that the sale be delayed pending revision of the OCS Lands Act of 1953.

Protection of Special Biological Values. The southern California area contains important marine mammal habitats, State-designated Areas of Special Biological Significance, and other unique biological areas. The Environmental Protection Agency recommended the establishment of buffer zones and deletion of tracts to insure protection of such values. State agencies expressed concern that oil spills pose threats to the environment, some of which are understood but others of which (effects of chronic low-level pollution) are not fully understood at this time. They, therefore, urge that very specific mitigating measures be adopted to protect endangered species, unaltered estuaries, and other biological values.

II. SUMMARY AND EVALUATION OF COMMENTS ON THE FINAL ENVIRONMENTAL STATEMENT FOR OCS SALE NO. 35 OFFSHORE SOUTHERN CALIFORNIA

Comments on the subject final environmental statement were received from the following agencies and organizations:

The Resources Agency of California

Southern California Air Pollution Control District

Southern California Association of Governments (SCAG)

Environmental Protection Agency

Mobil Oil Corporation

Federation of Organizations for Conserving Urban Space (FOCUS)

These comments are summarized and evaluated below.

A. The Resources Agency of California

The Resources Agency commented on air quality, deepwater technology, biological impacts, water pollution and the need for a national energy policy. The comments are treated in detail below.

Air Resources Board Concerns

1. There is a need to measure the accumulative affects of the proposal on the air quality.
2. An explanation is presented as to RHC emissions and the approximation as to how they relate to automobile emissions.
3. A statement is made that under normal operating conditions eighty tons of sulfur compounds would be emitted on a daily basis.
4. The worst smog prone and existing smog areas are in proximity to the proposed lease area.

5. A statement is made that nothing in the EIS states that natural gas will be recovered from the offshore, and if it is recovered nothing is shown that it will be made available in California.
6. Regulations should be specified which would prevent the possible pollution caused by vessels carrying oil from Alaska and the southern California OCS.

Disposition

1. With respect to the use of models to measure the total potential impacts from the proposed project on air quality, the EIA, the State of California, and the Southern California Air Pollution Control District have not reached agreement as to the best model to use. As a result, any model used at this time would be subject to criticism. One approach that can be used is to measure the quantity of emissions which would be released during the different phases of the project, if the lease sale is held, and to use these as indicators. BLM will undertake a feasibility study on an emission inventory from a sample platform in Santa Barbara Channel. The cumulative impact is not anticipated to be as great as that indicated by the Resources Agency, but will be substantially less. The Southern California Air Pollution Control District states that "Based on the material presented in the EIS the APCD does not anticipate that normal routine onshore or offshore operations will have a significant impact on regional air quality." The EIS states that the emission will add about five percent to the RHC in the Los Angeles Air Basin and about three percent in the South Coast Air Basin. This is based on a 100,000 barrel spill with emissions lasting over a ten-day period. The spill, of course, is not representative of normal, routine operating conditions. Normal offshore drilling operations are conducted within closed systems which

preclude emissions into the air. The majority of the emissions would come from the transport of oil by tankers and would occur during the loading and unloading phases. The emissions are from two sources; first, from the tanker combustion sources, and second, from vented cargo tank vapors. The following chart indicates both the high and low case volumes and represent the loading or unloading phases only. If both operations occur within the Southern California Bight, then the volume of emission by type would need to be doubled.

Emission Types	Tons Per Day	
	100,000 bbl/day	1,000,000 bbl/day
<u>Tanker Combustion Fumes</u>		
Sulfur Oxides ¹	0.08	0.80
Nitrogen Oxides	0.10	1.00
Particulates	0.02	0.20
Total Organic Gases ²	0.01	0.10
Carbon Monoxide	0.01	0.10
<u>Vented Cargo Tank Vapors</u>		
Total Hydrocarbons	3.00	30.00
Reactive ³ Hydrocarbons	1.00	11.00
Hydrogen Sulfide	0.10	1.00

¹Expressed as SO₂, based on 0.5% sulfur fuel oil.

²Includes unburned hydrocarbons plus aldehydes.

³Based on an EPA classification scheme that considers all components heavier than propane to be reactive hydrocarbons.

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Emissions resulting from an onshore treating plant would result in minimal degradation of the air quality. In a normal operating unit, the heater-treater flue stacks, the process-fluid heater flue stack, the Stretford unit, and the Hirt burner would constitute routinely and continuously operating emission sources. The resulting emissions from a treating facility are not considered significant. The emissions are as follows:

Heater-Treater Emissions

Oil Production (bbl/day)	20,000
Fuel Gas Consumption (MM SCFD)	0.35
Burner Operating Mode	Continuous
Total HC Emissions (lb/day)	2.8
NO _x Emissions (lb/day)	35.0
CO Emissions (lb/day)	7.1

Process Fluid Heater

HC Emissions (lb/day)	3.3
NO Emissions (lb/day)	41.0
CO Emissions (lb/day)	8.3

Both the Stretford unit and the Hirt burner have negligible emissions.

2. The comment that the RHC emissions would approximate that emitted by 900,000 automobiles meeting the 1977 exhaust emission standards is too high by a factor of three. Seventeen tons of RHC based on .41 grams of HC per mile for an average of twenty-five miles per day amounts to emissions by about 300,000 automobiles. Even using the quoted high figure of twenty tons of total HC (RHC represent two thirds of the total HC), the increase would only add two percent to the Los Angeles County air and only one percent to the air in the Southern California Air Basin.

3. The figures for sulfur emission would be the greatest in the event of a fire. As indicated in Comment No. 1 above, the normal operating procedures would not substantially increase the sulfur levels. It is estimated that a 100,000 barrel spill on fire would produce 1700 tons of SO_2 . Since the normal SO_2 emissions for Los Angeles County is 400 to 500 tons per day a serious problem would result. But during normal operations, if the spill and fire lasted over a ten-day period, then the range would be 170 to 1700 per day. The figure of 80 tons per day for normal, non-spill or non-fire conditions is not realistic.

4. It is agreed that during a fire or major spill any populated area would be degraded. The most central geographical locations are within the South Coastal Air Basin, and the Air Basin is the worst polluted within California. It should be emphasized, however, that major spills and fires are not typical occurrences for oil production and transport. Rather, the opposite is true.

5. The EIS is very specific in that one of the purposes of leasing is for the recovery of gas in addition to oil. Volume 1, pg. 27, states that "The overriding factor in planning for OCS leasing is to strive for a supply of oil and natural gas adequate to meet the demand for these resources, consistent with the protection of environmental values. This is the foundation of and justification for the existence of any OCS leasing program." No regulations exist that prescribe that the recovered natural gas will be used in California. Such factors as market conditions, supply and demand, and energy conditions on the national level would have a bearing on the final disposition of any gas produced.

6. As noted in the final EIS (Vol. 3, p. 67), the U.S. Coast Guard coordinates all ship traffic and issues regulations to prescribe safe shipping conditions. See Sections IIIA.1; III.A.2.d; III G. and III N. for pertinent analyses.

Department of Fish and Game Concerns

1. Certain conditions recommended by Fish and Game on pages 4 and 5 of the State Resources Agency comment on the draft EIS were included as alternatives in the final EIS, but should be implemented as lease stipulations to make sure they apply.
2. The implementation of a pollutant monitoring program in oil development areas as mentioned on page 8 of the State Resources Agency comments is still uncertain in the final EIS.
3. Specific provisions to prevent unsafe deepwater drilling and development should be undertaken prior to the lease sale.
4. Only one-half of the specific comments on pages 6-9 of the State Resources Agency were utilized.

Disposition

1. Of the three provisions recommended, the first was included in Section VIII.A., Hold the Sale in Modified Form, since the condition precluded development of the affected tracts and would have to be considered as a withdrawal of acreage by modifying the proposed sale. The Secretary of the Interior would have to make this decision. The other two conditions concerning oil spill containment and recovery capabilities and availability are covered as suggested special stipulations in Section IV.F.4.a. on page 542 of the final EIS.

2. The response to this comment in the final EIS (number 39, Vol. 3, page 186) states that BLM is considering monitoring studies when the baseline studies already initiated are completed. If a lease sale is held and development takes place, BLM is committed to monitoring or continuing studies in the marine environment. (See final EIS, Vol. 1, page 24.)

3. Alternative 8 in Section VIII.A. of the final EIS (Vol. 2, page 663) proposes to defer the sale of deepwater tracts except for a few reserved for development of deepwater technology. As discussed in responses 1 and 2 to the Environmental Protection Agency comments (Vol. 3, pages 50-52), the Geological Survey (GS) has approval power over the proposed development plans including those for deepwater tracts. If the plans present an unacceptable environmental risk, approval of the plan would be withheld (30 CFR 250.12 (c) and (d) and 250.34). Moreover, when it is shown to be in the interest of conservation of the natural resources of the OCS, the Secretary would be authorized to provide by regulation and/or OCS Operating Orders specific requirements for deepwater development and production operations.

4. We have responded to all the specific comments noted on pages 6-9 of the State Resources Agency specific comments. The numbered comments are considered with a written response while those not numbered have been corrected in the final EIS text. This was stated under "Other Specific Comments" (Vol. 3, page 184).

State Land Division Concerns

1. The final EIS does not agree with the Santa Ynez EIS on the height of the inversion level in southern California.

2. Treatment of geological hazards is generalized and there is no mention of submarine hazards such as scouring, erosion or submarine landslide.
3. There is no data on the geochemistry of tract metals in the sediments.
4. Design criteria on pages 135-136 of Volume 4 established by USGS OCS Orders are not yet in effect.
5. More consideration should be given to formalized training of personnel.

Disposition

1. According to the U.S. Weather Bureau, observations taken at the Los Angeles airport over the past 3 years for the months of June, July and September indicate that the average inversion level was lowest for the month of July with 1,514 feet in the morning and 1,344 feet in the afternoon. June and September averages were somewhat higher with 1,873 ft. in the a.m. and 1,715 ft. in the p.m. for June, and 1,807 ft. in the a.m. and 1,771 ft. in the p.m. for September. These figures appear to be reasonably close to the average inversion level approximation given in the final EIS.

2. In Appendix 10.A.5.e., it is indicated that areas of high sediment movement and scour should be avoided as sites of pipelines, platforms, and other stationary facilities. To determine if an area is susceptible to this type of action, case-by-case analysis would be conducted in the event of a lease sale.

If a tract is leased to an oil company, the company must first submit an application for drilling, construction, etc., to U.S.G.S. for their approval. Through Secretarial Order No. 2974, BLM along with the Fish and Wildlife Service, comment on the application and express their views as to any inadequacies and as to information that is needed before U.S.G.S. issues a permit for any form of activity.

This form of detailed analysis of specific sites would provide the Department of Interior with a more accurate control on offshore activities which could adversely affect the marine environment.

3. In Sections II.H.2. and III.F.2., it is pointed out that both chlorinated hydrocarbons and trace metals are found in highest concentrations around wastewater outfalls, with general decreasing constituent concentration with increasing distance from the point source. It is further pointed out (II.F.2.) that adverse long-term impacts can result when pollutants are resuspended in the water column. To minimize the adverse effects from the resuspension of pollutants from such activities as pipeline construction, BLM would seek, on a case-by-case basis, the views of U.S.G.S., Fish and Wildlife Service, the Corps of Engineers, and other conservation agencies as to the proper method to handle potential resuspension. For additional information see Section IV.D.2.

4. This comment is correct in pointing out that the OCS Orders do not include all of these requirements. The criteria indicated are those that the District Engineer (U.S.G.S.) requires the operators to maintain.

5. Further information on the operators' training is found in Section IV.E.2 of the final EIS, and Sections IV.A.8.a. and IV.B.2. in the U.S.G.S. final EIS relating to potential development operations in the

State Water Resources Control Board Concerns

1. The need for clarification of how the proximity analysis will be used in the decision process.
2. The response to comment #31 on page 157 of Volume 3 does not answer the comment requesting a description of the necessary data acquisition and analysis required to present possible adverse impacts in quantitative terms.
3. The response to comment #26 on page 155 of Volume 3 concerning diffuses-manifold dilution of discharged formation waters did not ~~treat the question adequately.~~

Disposition

1. The proximity analysis is provided to the decision-maker as one of the tools for assessing the potential environmental impact of the proposed lease sale.
2. The ongoing "Baseline" work that BLM is doing will provide chemical and biological levels through which any changes due to future offshore oil and gas operation would be noted in follow-on monitoring studies. Future special studies are being considered. These studies would increase the state of knowledge about the actual impact of oil and gas operations.
3. Since it is not economically possible to treat formation waters to render them pollution free, BLM feels that formation waters should be disposed of by methods which will have the least impact on the marine environment. At the present time, systems which would help reduce or eliminate the potential impact from formation waters are: 1) diffuser manifolds such as the multi-port discharge systems used by municipalities, 2) reinjection which is commonly used in State waters.

Energy Resources Conservation and Development Commission

1. Need for a "comprehensive balanced energy policy."
2. Information as to the location and extent of the resources underlying each of the five distinct areas proposed for leasing.

Disposition

1. National energy policy considerations are discussed in the OCS programmatic final EIS. Refer to Section VIII.A. of that document.

2. Resources are estimated by USGS as follows:

	<u>Million Barrels of Oil</u>	<u>Billion Cubic Feet of Gas</u>
San Pedro	709 - 946	602 - 821
Santa Monica	329 - 440	479 - 711
Santa Rosa- Cortes North	242 - 431	603 - 1108
Santa Rosa- Cortes South	239 - 660	613 - 1785
Santa Barbara- Catalina	67 - 219	103 - 342

Southern California Air Pollution Control District

Comments received from the Southern California Air Pollution Control District are as follows:

1. It is expected that normal routine onshore and offshore operations will not have a significant adverse impact on the regional air quality.
2. There may be significant and observable adverse impacts on local air quality in the vicinity of onshore operations associated with the offshore drilling, refining and transport operations.
3. A section needs to be included to show the quantitative estimates of air pollution emissions.
4. The CO₂ value on page 278, Volume 2 is low by a factor of 3.

5. A major source of SO₂ emissions would be introduced into the air basin if a 100,000 barrel fire were to occur. The effects would be more serious if the fire were to occur near the heavily populated coastal areas.
6. Santa Ana winds do not create smoke, rain or smog as stated on page 109, paragraph 2.
7. A clarification should be made of the offshore wind flow as shown in Figure II-17 and the statement in the text on page 126.
8. The table of pollutant concentrations for alerts shown on page 773, Volume 1, are incorrect.

Disposition

1. BLM acknowledges the APCD concurrence that under normal routine onshore and offshore operations, a significant negative adverse impact would not result in the regional area. BLM concurs that a large spill, or a spill with an accompanying fire, would result in a negative impact onshore. Such non-routine occurrences near shore would have a greater impact than those located further out to sea.

2. Normal offshore drilling operations are conducted within closed systems which preclude emissions into the air. The majority of the emissions will come from the transport of oil tankers and will occur during the loading and unloading phases. The emissions are from two sources. First, from the tanker combustion sources, and second, from vented cargo tank vapors. The following chart indicates both the high and low case volumes and represent the loading or unloading phases only. If both operations occur within the Southern California Bight, then the volume of emissions by type will need to be doubled.

Emission Types	Tons Per Day	
	100,000 bbl/day	1,000,000 bbl/day
<u>Tanker Combustion Fumes</u>		
Sulfur Oxides ¹	0.08	0.80
Nitrogen Oxides	0.10	1.00
Particulates	0.02	0.20
Total Organic Cases ²	0.01	0.10
Carbon Monoxide	0.01	0.10
<u>Vented Cargo Tank Vapors</u>		
Total Hydrocarbons	3.00	30.00
Reactive ³ hydrocarbons	1.10	11.00
Hydrogen Sulfide	0.10	1.00

¹Expressed as SO₂, based on 0.5% sulfur fuel oil.

²Includes unburned hydrocarbons plus aldehydes.

³Based on an EPA classification scheme that considers all components heavier than propane to be reactive hydrocarbons.

Emissions resulting from an onshore treating plant will result in minimal degradation of the air quality. In a normal operating unit, the heater-treater flue stacks, the process-fluid heater flue stack, the Stretford unit, and the Hirt burner would constitute routinely and continuously operating emission sources. The resulting emissions from a treating facility are not considered significant. The emissions are as follows:

Heater-Treater Emissions

Oil Production (bbl/day)	20.000
Fuel Gas Consumption (MM SCFD)	.35
Burner Operating Mode	continuous
Total HC Emissions (lb/day)	2.8
NOX Emissions (lb/day)	35.0
CO Emissions (lb/day)	7.1

Process Fluid Heater

HC Emissions (lb/day)	3.3
NO Emissions (lb/day)	41.0
CO Emissions (lb/day)	8.3

Both the Stretford unit and the Hirt burner have negligible emissions. The emissions from refineries have been shown on page 232 of Volume 2.

3. Comment 3 has been answered in part under comment 2. With respect to a study to be undertaken by BLM to quantify potential air pollution emissions, see response to comment no. 1 of the Air Resources Board included under the Comments of the Resources Agency of California.

4. BLM believes that the CO₂ estimate of 340,000 to 347,000 pounds in the final EIS is the correct estimate.

5. BLM concurs with the analysis of SO₂ emissions and the interpretation submitted by the Southern California Air Pollution Control District.

6. Smoke, rain, smog, and dust can reduce visibility, but BLM agrees that dust is the only phenomenon created by Santa Ana.

7. In addition to the statement on page 126, it should be indicated that Santa Ana winds also flow along the Santa Clara River valley and down the northeast-southwest canyons to the coast.

8. The table in the text was correct at the time of writing, but the data was changed at a later date. The new standards are shown in the table below.

	Averaging Time	Stage 1	Stage 2	Stage 3
Photochemical Oxidant (Including Ozone)	1 Hour	.20 ppm	.35 ppm	.50 ppm for one hour and predicted to persist for one additional hour.
Carbon Monoxide	1 Hour	.40 ppm	.75 ppm	100 ppm for one hour and predicted to persist for one additional hour.
	12 Hours	20 ppm	35 ppm	50 ppm
Sulfur Dioxide	1 Hour	0.5 ppm	1.0 ppm	2.0 ppm
	24 Hours	0.2 ppm	0.7 ppm	0.9 ppm

Southern California Association of Governments (SCAG)

Some of SCAG's comments questioned Departmental policies in the OCS leasing program while others pose specific questions concerning statements made in the EIS.

1. The review period of 30 days is too short. More review time and additional public hearings are needed.
2. Delay the sale pending revision of 1953 OCS Lands Act.
3. SCAG disagrees with prediction of no new refineries, feeling that new supplies may create additional demand.
4. Overlap of review periods for the Programmatic and Site-specific makes adequate review difficult. Release of the site-specific draft EIS before the OCS programmatic final EIS violates the spirit and letter of NEPA.
5. SCAG questions whether a 1.5 million acre sale in southern California is necessary in view of the revision of the "10 million acre" goal.
6. Due to the danger of spills, caution is urged in the leasing program.
7. The discussion on seismic risk is inadequate.
8. Concern is expressed about the various aspects of oil pollution and caution is recommended for potential leasing.
9. The discussion on air quality impacts and esthetic impacts are inadequate.
10. Concern is expressed about the adequacy of the treatment of visual and esthetic impacts in the site-specific final EIS.

11. Leasing should await the completion of an FEA funded study being done by the State Office of Planning and Research concerning onshore development and the effects of a sale on the coastal zone plan. More land use impact analysis is needed.
12. The need for a national energy policy is emphasized.
13. The section on cumulative impacts is inadequate.
14. SCAG is concused by differences in spill estimates.
15. The section on short-term vs. long-term uses is inadequate.
16. The net energy analysis is inadequate.
17. Section VIII.E.2. should include local review as well as State review of development plans.

Disposition

1 and 2. These comments refer to non-environmental issues. See response herein to letter of comments, dated August 22, 1975, from Mayor Bradley and City Attorney Pines of Los Angeles on the OCS programmatic final EIS.

3. The acceleration of OCS leasing of which the California sale proposal is a step is a program established to aid in achieving the Nation's goal of greater energy self-sufficiency. The intent of the program is to develop domestic petroleum and natural gas resources as direct replacements for imported oil. It is, then, not likely that these additional supplies will induce higher levels of demand. Rather they will reduce the Nation's dependency on unstable foreign supplies. Effectively, there would be no induced demand and, consequently, no demand for new refineries. (See final EIS for the proposed southern California OCS oil and gas lease sale (site-specific final EIS, Vol. 1, p. 20). Nevertheless, the site-specific final EIS analyzes the potential impacts

of one additional refinery or the equivalent in increased capacity of existing refineries (Section III.F.1., III.I.e, III.J.1. and III.J.2. See also response to Southern California Council of Local Governments, Vol. 3, p. 428).

4. See response to Southern California Council of Local Governments (Site-specific final EIS, Vol. 3, pp. 414-426). In addition, SCAG was informed by BLM that any additional comments submitted by them in succeeding two-week period would be considered and evaluated.

5. Many factors entered into determination to propose for lease 1.55 million acres, such as industry nominations, public comments on matters of environmental concern, resource potential, potential conflicts with Defense Department use of certain areas within the call for nominations. These factors are in addition to considerations involved in potential acceleration of OCS leasing nationwide.

6. As part of the comprehensive evaluations that are performed for each proposed lease sale, environmental protection, specifically probabilities for oil spills, volumes and clean-up are thoroughly considered and a decision to go ahead with a sale is not made until the Secretary of the Interior is assured that the areas have no inordinate probabilities of spills and that adequate safeguards are available in the event of an accident. (See site-specific final EIS, Vol. 2, pp. 84-85, 92.)

7. A recent study by the Geological Survey as part of the BLM baseline study of the proposed sale area indicates that potential seismic problems may exist, but technology is available to mitigate possible impacts. Thus, no unusual or particularly hazardous events would be expected. (Also see final EIS, Vol. 2, pp. 93-100, and appendices 10A, 1 and 2.)

8. Analysis and study are on-going concerning the effects of oil pollution. Chronic, low-level pollution is considered to have potential adverse impact, although the amount and type have not been established in the scientific community stringent measures for prevention are being addressed. BLM is committed to conducting baseline studies of the marine environment in areas of offshore oil and gas development. In southern California, studies include analyzing hydrocarbons in selected marine organisms. This will provide a background level of hydrocarbons in organisms that can be monitored as the proposed development takes place. Other investigations that will be concerned with chronic effects of oil pollution on various marine organisms are being considered. (See site-specific final EIS, Vol. 1, pp. 21-24; Vol. 2, pp. 93-100:) Various protective measures have been proposed and evaluated for ensuring that the bays of southern California will not be damaged in the event of an oil spill. Outer Continental Shelf Order No. 7 states that the leasee is required to maintain protection of important resources including estuaries. The problems here are that the estuaries are in state waters and that maintenance of protection and clean-up equipment will involve several or numerous operators. The Secretary of the Interior via the U.S. Geological Survey does however retain authority to approve or disapprove protection equipment for adequacy and in this way can direct that sufficient capability be maintained to protect valuable estuaries if threatened by an oil spill. (See site-specific final EIS, Vol. 2, pp.198-217, 233, 249, and 257.)

9. Regarding water quality, protection lies in spill prevention and cleanup capabilities; concerning air quality, reliance must be placed upon use of the most recent air quality protection technology and responsible land use planning to alleviate any potential pollution from onshore activity that would result from offshore operations. (See site-specific final EIS, Vol. 2, pp. 274-285, 305.) With respect to potential impact on air quality, see responses herein to Resources Agency of California and Southern California Air Pollution Control District.

10. A single unified approach to evaluating the magnitude of visual and aesthetic impacts was not attempted because data are not readily available to determine the size and visitor days of the audience which may be affected by visual alternation. Recreation is the only parameter of coastal use commonly measured and measurement is necessarily subject to great variation in intensity and accuracy. (See Vol. 2, pp. 333-352.)

Individual cases where sampling appeared to be well executed and the results usable were utilized to point out the magnitude of recreational uses involved. Compiling all data into a summary sheet would entail collection and analysis of data from many disparate and unrelated studies and or visitor counts resulting in overlaps and data gaps. Analyzing impacts on this audience would further require many assumptions based on information not now available thus resulting in largely hypothetical results. The expenditure of effort to achieve results which are of questionable reliability and mostly hypothetical is not warranted. The

intent was to develop orders of magnitude for impacts which might be expected. If 85 million visitors listed sightseeing as a major reason for being there then with an adjustment for foggy or hazy periods, about 19 million visitor days would be affected in a major way. The remaining 52 million visitors will be affected in one way or another. We can add residents, highway users, boaters and so on which undoubtedly total well in excess of 100 million visitor days annually most whom will be affected in one way or another by an alteration in esthetic qualities.

11. Regarding the potential effects of induced industrialization, the base (land area, population, existing facilities, labor market and work force, etc.) is so great in the Los Angeles area any impact would be minimal. This is because (1) the majority of the workers already reside in the area, (2) most facilities to handle the proposed project already exist, and (3) any petroleum products would tend to replace those currently being imported. A few new operations would be required on a short-term basis but the majority of operations are already in existence.

The question of postponing the lease decision pending completion of a State of California study is not within the scope of the EIS. Therefore, no response is indicated at this time.

The data presented in the cost/revenue analysis are on a local basis; the data in the Program EIS are limited to Texas and Louisiana; therefore, the data cannot be compared with that in the southern California EIS.

The data in the southern California EIS are based on California ad valorem procedures and not on the practices in the Gulf region. In both Texas and Louisiana the taxing structure is so completely different

of California and cannot be used as a comparison. In order to attract industry to those states tax benefits are granted to the petroleum industries, and in some instances, even a total abatement is indicated. The situation is just the opposite in California.

If a reduction in ad valorem taxes or a total tax abatement were in existence in California, then the cost/revenue data would have been presented in a different manner in the Southern California EIS. In terms of having a better cost/benefit for agricultural lands than industrial lands, the only option that can be considered is that between vacant land or planning for agricultural lands. In terms of taxing as compared with services rendered by government, agricultural lands do not generate a more positive economic structure than industrial lands. This fact is borne out in the professional journals, by the fact that every major Chamber of Commerce has a large industrial development staff, and in the introductory texts and classes in government financing. (See Site-Specific final EIS, Vol. 2, pp. 365-400.)

12. The discussion, assessment and alternatives of accelerated leasing are integral parts of the OCS programmatic final EIS. The site-specific final EIS does not give extended treatment to energy policy impacts and alternatives.

Discussion of the national energy policy question is included in the programmatic final EIS alternatives section (see Vol. 2, sec. VIII.A, pp. 292-294). This discussion considers national energy policy and alternatives based upon the Project Independence Report, Ford Foundation's A Time To Choose, and the University of Oklahoma's Energy Alternatives.

13. An assessment of cumulative effects of OCS and other major actions is necessarily limited at the present time because most of the projects are still in the planning stages and details are unknown. (See site-specific final EIS, Vol. 2, pp. 454-500.)

We do not perceive the relationship between mitigating measures and supply/demand. The regulations established to govern OCS operations and ensure their safety and the mitigating measures established to alleviate harmful impacts are necessarily approached from a technical stance. (See site-specific final EIS, Vol. 2, pp. 500-549.)

14. In Vol. 2, p. 85 of the site-specific final EIS, an effort was made to determine the probabilities of a large spill for various size oil fields and the amounts to be handled between 1987 over the anticipated life of the proposal. The frequency cited for major spills of 30,000 to 100,000 bbl is taken from the estimates made on p. 146 of Volume 2 (footnote 5 to Table III-20) for a large production range. Because of all the variables involved, it is extremely difficult to arrive at reliable projections of oil spill amount or frequencies and the estimates cited should be viewed as rough projections.

15. The Bureau of Land Management believes that the discussion of short-term vs. long-term uses is adequate in the circumstances of this OCS leasing proposal. The last sentence, "At the present time, no economic or social consequence can be foreseen which would constitute a significant consequent. Any effects are expected to be minimal and will peak by 1987 and reduce at a rapid rate after that time." If the conclusion were otherwise, a more detailed discussion would have been included of those consequences determined to be significant.

16. The analysis of net energy gain was necessarily constrained by a lack of data and the necessity of having to resort to assumptions. We concur that secondary and tertiary recovery would be pertinent to such analysis, but, again, useful data is lacking. The combination of alternatives deals only with the combinations of energy alternatives to the sale proposal, not a combination of all the alternatives presented. (See site-specific final EIS, Vol. 2, pp. 589-761.)

17. While the discussion of the alternative dealing with State review of development plans does not specifically refer to local governments within the area that would be potentially affected by OCS development operations, neither does it preclude review by local governmental units. There is nothing in the discussion which would preclude the State from seeking and submitting the views of interested local governments.

Environmental Protection Agency (EPA)

1. Risks associated with developing deepwater tracts. EPA recommends deferral of offering deepwater tracts and a gradual progression into higher risk areas, as experience is assimilated, possibly through a prototype program. If deepwater tracts are leased, EPA recommends that the Department of the Interior expedite plans to formulate deepwater operating orders to insure proper control over deepwater technology.
2. Recommendation was reaffirmed to delete 22 tracts south of San Miguel Island; dealing with buffer zones around Areas of Special Biological Significance (ASBS); protection of the Channel Islands; and barging versus pipeline transportation.
3. A suggestion that approval of development plans for any tract that may be leased, be delayed until the Coastal Zone Management Program for California is given final approval by the Secretary of Commerce.

Disposition

1. A substantial number of tracts proposed for lease sale no. 35 are situated in deepwater. Extrapolating existing technology, it is estimated that production capability can be extended to water depths of 1200 feet using substantially proven surface development technology. Operations in water depths of more than 1200 feet would likely be accomplished by subsurface methods, however, at this time, subsurface technology in deeper depths has not been conclusively demonstrated to be environmentally safe.

While industry has indicated a willingness, and feel they have the capability with existing subsurface technology to go to 3,000 feet, a potential problem would involve ensuring reliability and design adequacy of the development technology to be used.

There are basically two alternatives being considered regarding deepwater tracts:

- 1) Delete certain deepwater tracts because existence of development technology has not been conclusively established. (Vol. 2, Sec. VIII.A.7., pp. 661-662).

- 2) Defer proposed lease sale as to certain deepwater tracts until existence of development technology is conclusively established. (Vol. 2, Sec. VIII.A.8, pp. 663-665).

Adoption of the first alternative to delete the deepwater tracts would have a major impact on the sale. While serving to minimize environmental impact, elimination of areas below 1200 feet would remove approximately 855,000 acres or 55% of the land now being considered for lease. This would eliminate an unknown, but probably substantial portion of the estimated oil and gas potential of the proposed lease area. As pipelining or barging of production would still be necessary from each of the five tract areas, deletion of these tracts, particularly the deepwater acreage in the Santa Rosa-Cortes South and Santa Barbara-Santa Catalina areas could reduce the resource potential of these areas so that laying a pipeline to shore through very deep water might not be economically feasible. In this event production from the remaining tracts in these areas would have to be transported by barge.

Additionally, adoption of this alternative would reduce the amount of deepwater acreage available to industry for exploration and development purposes and thereby retard the development of environmentally safe deepwater technology.

Adoption of the second alternative has many of the same problems as discussed in the first alternative. Industry has already expended a substantial amount of funds in an effort to develop deepwater development and production techniques, and its efforts to date indicate a substantial interest in perfecting this technology. Deferring sale of the deepwater tracts, or a portion of them, would serve both to reduce or defer the environmental risk, and also reduce the incentive to industry to develop the technology.

Also, it should be remembered that if the proposed sale is approved, or if leasing of deepwater tracts is deferred, a lessee would be required, under existing OCS Operating Orders, to file a plan of development describing proposed development and production operations. If it is determined by the Oil and Gas Supervisor, Geological Survey, that the proposed development and production technology presents an unacceptable environmental risk, approval of the development plan would be withheld. (Site-specific final EIS for the proposed lease sale, Vol. 1, p. 32).

Specific cost estimates for removal of tracts because of deepwater hazards cannot be made until further data is available delineating the specific areas to be removed.

2. The deletion of tracts south of San Miguel Island, establishment of buffer zones around ASBS's and exclusion of petroleum support activities from the Channel Islands, where possible, are all alternatives which are being considered for proposed sale no. 35. (Vol. 2, Sec. VII.A.3., 4., 6., pp. 640-643, 644-653, and 658-660, respectively.) With respect to a requirement of pipeline transport of OCS production, see response to EPA comments on draft EIS (Site-selection final EIS, Vol.3, p. 64 (No. 26).)

3. Delaying proposed sale no. 35 until the adoption of the California Coastal Zone Plan is an alternative posed in the site-specific final EIS. (See Site-specific final EIS, Vol. 2, Sec. VIII.C.3, p. 744.)

Mobil Oil Corporation

Mobil Oil points out that there are several sections within the final EIS in which an inconsistency exist with respect to earthquake magnitude data.

Disposition

We agree with Mobil that the statement regarding the magnitude 8 earthquake once in 52 years is in conflict with the 7.2 magnitude (1 in 10,000 events) shown in Figure III-4. Although it was not indicated in the final EIS, the data shown in Figure III-4 was compiled from data taken with equipment of higher sophistication than that of early years, from which the magnitude 8 once in 52 years was taken. Because of this, the frequency figure for a 7.2 magnitude earthquake is more accurate.

BLM would like to emphasize that these are only rough "estimations" of what a potential magnitude may be in the Borderlands.

The "Maximum Credible" earthquake and Design Earthquake criteria that would be used for any structures developed in the OCS would be determined by USGS on a site-by-site basis upon application for permit. The earthquake

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design criteria is based on expected ground acceleration and not earthquake magnitude, i.e., a structure located in close proximity to an active fault of a recent low magnitude earthquake may have design criteria higher than a structure which is a greater distance from a fault that has experienced an earthquake of greater magnitude.

Federation of Organizations for Conserving Urban Space (FOCUS)

The Federation of Organizations for Conserving Urban Space believes that the EIS fails to relate offshore drilling activities to military activities such as missile launches and flights, manned and unmanned aircraft flights, bomb drops, anti-submarine warfare weapons and general gun firings. The Federation also points out that the possibility of a submarine going off course could shear off and detonate an oil platform which, with the possible release of nuclear radiation, would convert the coastal zone of California into a disaster area. Therefore, in their opinion, the final EIS fails to meet the legal requirements of the National Environmental Policy Act.

Disposition

1. FOCUS appears to misunderstand the purpose and various sections of the final EIS that address the potential conflict between proposed offshore oil leases and military activities. FOCUS is quoting activities described for the entire Pacific Missile Range. However, there will be no bomb drops, anti-submarine warfare weapons or general gun firings conducted near any of the tracts being considered for sale 35. Vol. II, p. 317 of the final EIS goes on to further explore the areas of military conflict and states that in case of successful exploration, that portion of the Pacific Missile Range would be relocated.

Missile launches and flights and manned and unmanned aircraft flights will continue over the general area. These flights occur very infrequently and pose no threat unless the spacecraft or aircraft should develop

difficulties. Special stipulations to handle this thpe of situation are explained and listed in Vol. II, p. 40, of the final EIS. In the event of a lease sale, additional stipulations requiring provisions for personnel and equipment safety in case of an accident would be included in any lease issued.

2. Accidents are always possible, however, in this case they are extremely improbable. If a submarine by some remote possible, did collide with an offshore platform, it could not detonate the platform. If the collision were severe enough that pipelines were severed, the ocean floor devices such as the blowout preventor (BOP), which are now a standard part of any platform, would immediately shut off any oil or gas and prevent it from leaking. All information available to us indicates that even in a worst case of a nuclear submarine colliding with an offshore platform under worst conditions, it would not be possible for the nuclear pile to explode or leak.

3. Graphic No. 1 (referred to in the sentence following the statement referenced in Volume I, page 599, paragraph 2) indicates the existing submarine transit lane in relationship to the proposed tracts for lease. Only 12 complete tracts and a small portion of 5 others are affected by the submarine transit lane. BLM believes after careful analysis, that the possibility of an offshore platform being even slightly damaged by military activities is a very remote possibility, and does not represent a probability.

4. In the event of a lease sale, if military activities do damage an offshore platform, criteria and contingency plans have been prepared to minimize any such damage. It is BLM's opinion that all requirements of the National Environmental Policy Act have been adequately met.

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CLAIRE T. DEDRICK

SECRETARY

EDMUND G. BROWN JR.

RONALD REAGAN

GOVERNOR OF
CALIFORNIA

Department of Conservation
Department of Fish and Game
Department of Navigation and
Ocean Development
Department of Parks and Recreation
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Air Resources Board
Colorado River Board
San Francisco Bay Center
Development Commission
Solid Waste Management Board
State Lands Commission
State Recreation Board
State Water Resources Center
Regional Water Quality Center

THE RESOURCES AGENCY OF CALIFORNIA
SACRAMENTO, CALIFORNIA

SEP 16 1975

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SEP 19 1975

DIVISION OF MINERALS
ENVIRONMENTAL MANAGEMENT

Director (732)
Bureau of Land Management
U. S. Department of the Interior
Washington, D.C. 20240

Dear Sir:

The State of California has reviewed the "Final Environmental Statement Proposed 1975 Outer Continental Shelf Oil and Gas General Lease Sale Offshore Southern California (O.C.S. Sale No. 35)", which was submitted to the Office of Planning and Research (State Clearinghouse) within the Governor's Office, and to The Resources Agency by letter of August 15, 1975. The State's review was coordinated with the Departments of Conservation, Fish and Game, Navigation and Ocean Development, Parks and Recreation, and Water Resources; the Air Resources Board; the Solid Waste Management Board; the State Water Resources Control Board; the State Energy Commission; the California Coastal Zone Conservation Commission; and the State Lands Division.

We have reviewed the final Environmental Impact Statement (EIS). We note that it is an improvement over the draft but still does not contain adequate coverage of some critical items and as such it does not fulfill the requirements of the National Environmental Policy Act of 1969.

Our specific concerns are as follows:

Air Resources Board Concerns

The final EIS is inadequate in its treatment of potential effects on air quality in the South Coast Air Basin. In previous comments included in a May 23, 1975 letter from Mrs. Claire Dedrick to Mr. Mike Carter (Vol. 3, pages 142-153) the Air Resources Board indicated that an analysis of the cumulative effects was needed to reach a conclusion about air

Director (732)
Bureau of Land Management

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Adequate quantification of each of these emissions needs to be made utilizing data describing existing similar facilities or equipment. This data should be based on actual tests of equipment in typical as well as atypical operating patterns. Present emissions data for petroleum operations need to be supplemented with actual emissions testing where such testing has not occurred.

In the absence of an adequate analysis of emissions in the EIS, and the absence of a description of any mitigation measures to be employed to reduce the adverse impact on California's air quality from such operations, the Air Resources Board cannot but assume that the adverse air quality impact from offshore oil development will not be mitigated. In the absence of satisfactory data in the EIS upon which to base an assessment of the air quality of OCS leasing, the Air Resources Board based its assessment upon reasonable assumptions that would yield the most significant impact.

Based upon such assumptions, the increased emissions of reactive hydrocarbons from the development, transportation, processing, and storage of Outer Continental Shelf hydrocarbon resources may be as great as 15 to 20 tons per day per 100,000 barrels per day of crude oil. If the maximum estimated production rate of one million barrels per day is realized, the increased emissions of reactive hydrocarbons may be in the range of 150 to 200 tons per day. The increased sulfur compound emissions may be as great as 8 tons per day per 100,000 barrels per day and reach a maximum in excess of 80 tons per day if a maximum production of 1,000,000 barrels per day is reached.

Increased emissions of this magnitude would be most harmful for California. The impact on the South Coast portions of Santa Barbara County could be particularly acute. If, as appears likely, the separation, storage, and ship loading occurs along the south coast of Santa Barbara County, reactive hydrocarbon emissions could increase in this area from the 25 tons per day level of 1972 to more than 150 tons per day when maximum production is reached. If this occurred in 1985, offshore oil development would contribute more than 90 percent of the reactive hydrocarbons emitted in this area. In the past, Santa Barbara has rarely experienced even a first stage smog alert. With maximum OCS oil production and no mitigation measures, however, the maximum oxidant reading could increase from its 1972 level of 0.13 parts per million to approach the second stage health alert level 0.35 ppm. The number of days on which the nation's ambient air quality standard for oxidant (0.08 ppm) is violated could exceed 250 days each year.

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Bureau of Land Management

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The maximum quantity of emissions that can be tolerated consistent with National Ambient Air Quality Standards for oxidant is approximately 150 tons per day of reactive hydrocarbons. Thus, the OCS development in and of itself might prevent California from achieving acceptable air quality standards, even if no other sources of pollution existed in the South Coast Air Basin.

Hydrocarbon emissions of this magnitude would exceed emission reductions resulting from California's air pollution control program. For example, 17 tons per day of reactive hydrocarbons (resulting from production of only 100,000 barrels per day) is equal to the pollution emitted from the tailpipes of more than 900,000 automobiles meeting California's stringent 1977 exhaust emissions standards.

Moreover, reactive hydrocarbon emissions from OCS hydrocarbon resource development would occur at some of the most critical geographical locations within the South Coast Air Basin and would maximize the production of photochemical smog. The hydrocarbons will be emitted to the upwind of population centers and will normally remain in the air long enough to react with oxides of nitrogen to form photochemical smog as the wind carries such particles over populated areas. Thus, the increased emissions may be even more serious than is reflected merely by describing the number of tons per day of emissions.

Proponents of OCS development contend that natural gas will be available to California to help mitigate the adverse air quality impacts of OCS development. There is nothing in the final EIS or otherwise known to the Air Resources Board that indicates either that natural gas will be expeditiously produced, or if it is, that it will be available in California. The expense and difficulty of bringing natural gas ashore may well induce oil companies developing the fields to develop only the oil resources and re-inject natural gas into the oil bearing formations. The Air Resources Board is not aware of any lease condition or other requirement designed to guarantee the expeditious production of natural gas. Similarly, the Air Resources Board is not aware of any policy that would assure that such gas would be made available to California to help mitigate the adverse impact of OCS development. It is possible that any OCS gas received in California would be subtracted from gas that would otherwise be available for California through interstate pipelines. The claimed environmental benefit of the development of the OCS gas resource thus may not occur.

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Bureau of Land Management

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The principal sources of air contaminants resulting from OCS development and the development of Alaskan oil appear to be beyond the reach of California's jurisdiction. In particular, the emissions from ships used to transport oil to California's urban areas may be beyond the power of California to regulate. The EIS does not address the possibility of federally-imposed control requirements on oil tankers to help protect California's air quality. The EIS is inadequate in that it fails to provide adequate discussion either of the possible substantial adverse air quality impacts of OCS leasing, or the possible mitigation measures available to the federal government to temper such impacts.

Department of Fish and Game Concerns

The Department of Fish and Game specific comments follow:

1. On page 3 of the Resources Agency's May 23, 1975 comments, the State recommended the inclusion of certain conditions to the lease. These conditions would have mitigated serious concerns we have for potential impacts on fish and wildlife habitat and resources. Although the final EIS now recognizes these conditions as potential project alternatives, it is necessary for the EIS to take a stronger position by including these conditions as mitigation measures that shall be implemented as lease stipulations. Otherwise, there is no assurance that the conditions will be implemented. These conditions are detailed on pages 4 and 5 of the Agency's specific comments.
2. On page 8 of the Resources Agency's specific comments, the implementation of a pollutant monitoring program in the oil development areas was recommended. The need for such a program is discussed on page 41, Volume 3 of the EIS. However, the final EIS continues to be uncertain about the implementation of such a program, even though it is noted.
3. On page 9 of the Agency's specific comments, it was recommended that prohibitions be instituted to prevent drilling in the deep waters of the OCS lease if warranted for safety reasons. Although the final EIS acknowledges potential danger of deepwater development and expresses a general policy to prevent unsafe drilling, no specific provisions are advanced to prevent unsafe drilling prior to lease sale. It is understood that once a lease has been sold, development of the lease cannot be prevented even if in deepwater. Therefore, potentially hazardous deepwater drilling operations may not be avoidable under

Director (732)
Bureau of Land Management

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current regulations. Generally, control action would be "after-the-fact" and in reaction to a problem that could already have caused serious damage. Therefore, deepwater drilling should be excluded until deepwater drilling technology is proven feasible and safe.

4. On pages 6-9 of the Resources Agency's specific comments, a number of specific revisions to the DEIS were recommended. Approximately one-half of these were utilized. Although some of the unutilized comments have little direct bearing on the lease sale, we feel that the final statement should have responded to all comments.

State Lands Division Concerns

This EIS does not describe the data as well nor necessarily agree with data originally presented in other EIS's such as the earlier Proposed Plan of Development, Santa Ynez Unit. For instance, the Santa Ynez EIS Vol. II - 210 refers to the mean inversion level at 800 feet on the coast and at 1000 feet over Santa Cruz and Santa Rosa Islands. This is far lower than that suggested by this OCS EIS and therefore discussions in this report on air pollution may be misleading.

In the Geological Hazards Section, the treatment of the hazards is generalized, with subsidence and earthquakes being the only hazards sufficiently described. No mention is made of submarine hazards such as current effects involving scour and erosion or submarine land slides. It is necessary to measure currents during storm conditions. The maximum expected current strength and direction is a needed parameter.

There are no data on the geochemistry of tracemetals in the sediments. Because oil and gas operations will disturb these sediments, it will be necessary to define the existing toxicants in the sediments and the effects of their remobilization.

The "design criteria established by U.S.G.S. OCS Orders" listed on pages 135 and 136 are not yet in effect. Even the revised OCS Order #2 doesn't include all of these important requirements regarding drilling operations from floating vessels. Comments regarding the revision of OCS Order #2 have been forwarded by this agency in the past. However, such comments have not been included in the apparent final form of Order #2.

We believe consideration should be given to formalized training and qualification of personnel, more so than the brief references thereto on pages 150 and 151.

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Bureau of Land Management

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Also, portions of the Pacific Ocean (within the 3-mile limit) in Southern California have been tentatively identified as possessing significant environmental values pursuant to Section 6371, Public Resources Code. The compatibility of the pipeline/terminal facilities will have to be carefully evaluated as the specific sites become known.

State Water Resources Control Board Concerns

The final EIS acknowledges the incomplete coverage of the "proximity analysis" as a tool for decision makers (response #18 - page 179, Volume 3), but continues to imply in the summary that the analysis is adequate (first unnumbered page of Volume 1, Item 3). The State Water Resources Control Board feels that this significant concern needs further clarification.

The State Board comments stated that the EIS should describe the necessary data acquisition and analysis required to present possible adverse impacts in quantitative terms as part of the mitigation measures necessary to reduce adverse impacts (Volume 3, page 157, comment #31). These requests are not satisfied by the responses and revision provided in the final EIS. The State Board concurs with the comments developed by the Southern California Council of Local Governments which assert that NEPA places an affirmative obligation on federal agencies to develop missing data (Volume 3, page 264).

~~however sufficient data is provided.~~ The response to comment #26 (Volume 3, page 155) on page 182 of Volume 3 is not addressed to the question. Some attempt to answer the question is included in the text revisions, but diffuser-manifold accelerated dilution of formation waters discharged from platforms is not discussed, although the deleterious effects of discharge of oxygen deficient formation waters are acknowledged.

Energy Resources Conservation and Development Commission

At one of the public hearings held in regards to the draft environmental statement a member of the State Energy Commission gave testimony expressing the views of the Commission. The Commission has indicated that the final statement does not present all of their views, that a "comprehensive balanced energy policy" plan needs to be included as well as sufficient information as to the location and extent of the resources underlying each of the five distinct areas proposed for leasing.

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Bureau of Land Management

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The foregoing comments of the Department, Commission, and Boards represents the views and thoughts of the State of California on the final environmental statement. The State recommends that these comments be incorporated into a revised final environmental impact statement.

Thank you for the opportunity to review and comment on this final environmental statement.

Sincerely,

CLAIRE T. DEDRICK
Secretary for Resources

By 

cc: Director of Management Systems
State Clearinghouse
Office of Planning and Research
1400 Tenth Street
Sacramento, California 95814

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SOUTHERN CALIFORNIA
AIR POLLUTION CONTROL DISTRICT
LOS ANGELES ZONE

434 SOUTH SAN PEDRO STREET / LOS ANGELES, CALIFORNIA 90013 (213) 974-7411

September 12, 1975

Mr. Curt Berklund
Director, Bureau of Land Management
18th and C Streets, N.W.
Washington, D.C., 20240

Attention: Division of Mineral Environmental Assessments

Dear Mr. Berklund:

We are pleased to offer our comments on the Final Environmental Statement for the Proposed 1975 Outer Continental Shelf Oil and Gas General Lease Sale, Offshore Southern California (O.C.S. Sale No. 35) prepared by the Bureau of Land Management.

Based on the material presented in the EIS the APCD does not anticipate that normal, routine onshore or offshore operations will have a significant adverse impact on regional air quality. There may be significant and observable adverse impacts on local air quality in the vicinity of onshore operations associated with the offshore drilling and refining and transport operations. Impacts may result from SO₂ emissions, odors, particulate emissions and other emissions covered in the EIS. The EIS discusses emissions from normal onshore and offshore operations in a qualitative manner only, thus precluding a quantitative assessment of the potential impact of these emissions on air quality. A section should be added to the final EIS which contains quantitative estimates of air pollutant emissions from both onshore and offshore operations.

The EIS discusses the emissions resulting from a major spill of 100,000 bbls. and an oil fire resulting from this spill. Volume 2, p. 278, presents the results of calculations to estimate the emissions of CO₂, SO₂ and NO which would result from the complete combustion of 1,000 bbls. of crude oil, for a range of carbon, sulfur, nitrogen concentrations. The results for SO₂ and NO appear to be correct but the CO₂ value appears to be too low by a factor of about 3.

If these results are extended to a postulated major spill of 100,000 bbls. and the resulting SO₂ emission compared to projected SO₂ emissions for Los Angeles County it appears that there may be some cause for concern.

For the 1979-1983 time period the APCD has estimated that basinwide (Los Angeles County only) SO₂ emissions will be about 400 to 500 tons per day. The EIS estimates that a 100,000 bbls. spill could occur over a period of 1 to 10 days. For the maximum postulated sulfur concentration of 5.5 percent for the crude oil and 100,000 bbls. burning completely a total of 1,700 tons of SO₂ will be produced.

If this postulated worst-case spill took place in Santa Monica Bay and lasted 1 to 10 days and was immediately ignited it could totally burn during this 1 to 10 day period. The resulting SO₂ emissions could then fall in the range of 170 to 1,700 tons per day. Even the lowest value of 170 tons of SO₂ per day would constitute a significant fraction of the Los Angeles County emissions of 400 to 500 tons per day. Thus this occurrence would be virtually certain to lead to the exceeding of the 24-hour state SO₂ standard of .04 ppm by a wide margin for one or more days in the coastal region even if it had been in compliance before the oil fire. In addition the particulate and visibility standards would be exceeded. Significant amounts of H₂S could also be released during such a major fire.

Due to the potential significant adverse effects of such a major oil fire near the heavily populated coastal regions of Los Angeles we feel that the EIS discussion of this type of event is inadequate. This subject should be reexamined in detail in an addendum to the final EIS.

We do not feel that the EIS has underestimated the significance of the reactive hydrocarbon emissions from a 100,000 bbls. spill and the resulting effect on oxidant, in fact the effect may be overestimated.

Additional Comments - Volume 1

Page 109, paragraph two: Santa Ana type winds do not create smoke, rain or smog as stated here. Because of compression heating the air is very dry in Santa Ana winds and so both rain and fog are absent. The generally high wind speeds prevent smog formation but do cause dust.

Figure II-17, on page 127, shows the strongest offshore wind flow to be across the coast at Oxnard from the Santa Clara River Valley. However, the text on page 126 states that Santa Ana winds move predominantly through Cajon Pass and then out to the coast. These two points should be clarified.

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The table of pollutant concentrations for alerts shown on page 773 should be corrected. The first, second, and third stage alert levels shown in this table have been superseded by state mandated contingency plans for the South Coast Air Basin. The new episode criteria are as follows:

	Averaging Time	Stage 1	Stage 2	Stage 3
Photochemical Oxidant (Including Ozone)	1 Hour	.20 ppm	.35 ppm	.50ppm for one hour and predicted to persist for or additional hour.
Carbon Monoxide	1 Hour	40 ppm	75 ppm	100 ppm for one hour and predicted to persist for or additional hour.
	12 Hours	20 ppm	35 ppm	50 ppm
Sulfur Dioxide	1 Hour	0.5 ppm	1.0 ppm	2.0 ppm
	24 Hours	0.2 ppm	0.7 ppm	0.9 ppm

If you should have any questions about our comments please call me at 974-7525 or Tom Mullins at 974-7580.

Very truly yours,

Robert G. Lunche
Air Pollution Control Officer

Alan K. Stazer
Alan K. Stazer
Senior Air Pollution Analyst
Head, Environmental Impact Section

AKS:db

cc: Dr. O. R. Gossett
BLM Los Angeles

2435

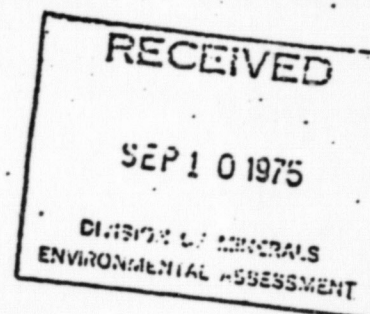
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

REGIONAL COOPERATION FOR REGIONAL PROBL

600 SO. COMMONWEALTH AVE. • SUITE 1000 • LOS ANGELES, CA. 90005 • 213/385-1

August 29, 1975

Mr. Curt Berklund, Director
Bureau of Land Management
Department of the Interior
Washington, DC 20240



SUBJECT: Comments on Final Environmental Statement on 1975 Outer
Continental Shelf Oil and Gas Lease Sale Offshore Southern
California (OCS Sale No. 35)

Dear Mr. Berklund:

The Southern California Association of Governments has received and reviewed the Final Environmental Statement on OCS Development site specific to Southern California. Our comments on this document are attached. In addition, I wish to refer you to SCAG policies on offshore oil drilling and production which were adopted by the Association in January, 1975. A copy is attached for your reference. I also wish to refer to you the Association comments on the Final Programmatic Environmental Statement which fits these policies to statements in that document.

Your staff has made the final site specific environmental statement a useful tool, however it is quite different from the draft statement and more time is needed for agency and public review than the 30 days provided. We feel that the shortness of the period, combined with the concurrent review of the programmatic environmental statement, resulted in local government being overburdened with paper (6,000 pages) and completely unable to do a thorough and complete evaluation. We urge that an additional review period be allowed and also feel that further public hearings should be held.

The Southern California lease sale #35 should be delayed until these problems can be resolved and until the passage of federal legislation revising the 1953 OCS Act.

Sincerely,

James A. Hayes
James A. Hayes
President

JAH:BWF:me

2436

Attachment

COMMENTS OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS ON
FINAL ENVIRONMENTAL STATEMENT ON OCS LEASE SALE #35

Volume I

Page 20 Disagree with the statement that California OCS development will not result in any new refineries. It is very possible that additional supplies will create additional demand beyond the 3% yearly given in the Project Independence Report. New refineries could result from both forecasted and induced demand. As previously stated by the Association, this lease program needs to be part of an energy policy which would consider all aspects of the problem, including conservation, to ensure that the nation does not return to its former wasteful habits.

Page 31 We restate that the great overlap of review periods of the programmatic and site specific environmental statements had very serious effects on the ability of the general public or governmental agencies to review them properly. The review period for the national statement was from July 11 to September 11 and the site specific document from August 15 to September 15. If one used all the time allowed to review the national document, we would have 4 days for the local. This is clearly insufficient. We also feel that the release of the draft of this statement prior to the release of the final programmatic ES and leasing decision was not in the letter and spirit of NEPA. There is concurrence by many state and local governments in this.

Page 29 We note with satisfaction that the 10 million acre goal has been substituted with a yearly lease sale goal. The Southern California sale is still targeted for 1.5 million acres, the original proposal. Is this large amount of acreage still necessary given the apparent rollback of the nationwide program?

Volume II

Page 84 - 85 The probabilities for spills, the possible frequencies of spills, and the possible volumes spilled argue for a very careful approach in the leasing program, rather than for the accelerated procedures now being used.

Page 92 The data and scenarios indicate that, with the possible rapidity that a spill could reach shore, the oil will also be quite toxic with aromatics and therefore have a magnified impact.

Page 93 - 100 Given the very great seismic danger here, the treatment in this report is insufficient since earthquakes can contribute greatly to the "usual" causes of spills.

Page 141 and 152 We stress our concern that the sublethal effects of chronic oil pollution can be the most dangerous of all to plankton and nekton, and that so little is known on the subject. We suggest that much more work be done on this because of the potential magnitude of disruption.

Page 155 It is important to understand the possible combination and magnification of effects on pristine areas of both oil and related pollution, and increased human activity in general, due to their lower tolerance for unnatural conditions than species in inshore areas.

Page 198 SCAG is especially concerned with the potential effects of spills on bays, estuaries and lagoons, both on the total biota, and on the rare and endangered species that reside in some. Two relatively unaltered estuaries (Mugu Lagoon and Anaheim Bay) and three altered bays having endangered bird species nesting areas (Marina del Rey, San Pedro Bay and Alamitos Bay) could receive oil from a spill which would result in widespread death and destruction. If a sale is held, very specific provisions must be made for the protection of these irreplaceable regional resources. They are almost all that is left on the mainland coast of what Southern California used to be.

Page 217 The report states that damage to rocky shore intertidal areas from a spill could be severe, but is largely unknown. The BLM is currently funding research on this at a local university. It may be advisable to wait the results of this study (lasting less than a year) before leasing near these areas.

Page 233, Page 249, Page 257 We restate our grave concerns on spill effects on birds, on rare and endangered species and on the unknown but potentially most harmful effects of chronic sublethal spills.

Pages 274 - 285 Air quality effects are briefly discussed here. Considering the very serious Southern California air quality problems, the discussion is not sufficient. Any decrease in ambient air quality which would result from this program cannot be tolerated.

Pages 286 - 305 Spill effects on water quality are given in this section. We restate that in the inshore areas water quality problems are quite bad and we cannot tolerate any further degradation. Degradation of pristine areas should never be allowed.

Pages 333 - 352 The magnitude of the visual and esthetic impacts (19 million visitor days for sightseeing alone in Los Angeles and Orange counties and that is just 27% of use) is a primary concern in Southern California. These impacts are given in the statement in a number of related categories. A single unified approach is needed to fully evaluate the impact on the perceived (as well as to ecologically functioning) environment. This is not attempted in the report.

Pages 365 - 400 While the document briefly discusses the potential effects of induced industrialization in the coastal zone, much more is needed on the land use impacts and effects on local and state government. We feel that a lease decision should wait the findings of the current FEA funded study being done by the State Office of Planning and Research which will more accurately estimate the hydrocarbon resource, evaluate the effects of development on the shore, and the effects of a sale on the pending state coastline plan. This study will more closely determine the induced growth effects of the proposed sale and suggest mitigating measures. Preliminary findings should be ready shortly.

The cost/revenue section needs further development and tends to conflict somewhat with findings given in the final programmatic ES. In addition, some studies suggest that the cost/benefit is more favorable for agricultural land than for any

2433

Pages 401 - 415 The discussion of oil and gas supply and demand illustrates the need for a comprehensive energy policy prior to leasing decisions. We agree with the statement on page 401 that OCS is a national as well as a state and regional (PAD V) issue. The section focusses on supply and demand within California and little on the national picture. The section quotes state estimates which are admittedly obsolete, a report done for the oil industry, and FEA forecasts, which are very general. It is quite possible that California, with increased onshore and state OCS production and its share of Alaskan oil, could be self sufficient and have a small surplus by 1985. Since the federal lands offshore Southern California are a national rather than a state asset, they should be developed and allocated accordingly, not just on how they can contribute the state's current oil deficit. This speaks again to the need for a national energy policy, which addresses how offshore California can contribute to national needs and, since the state must bear the environmental consequences for national production, how these can be minimized and compensated.

Pages 425 - 453 We feel that the proximity evaluation done in the report is very good, especially considering the necessary arbitrariness of standards and number of tracts evaluated. This section can be very useful in structuring any potential sale to minimize harmful environmental effects. It should be used as part of any decision.

Pages 454 - 474 This section on the cumulative effects of OCS and other major actions is potentially one of the most important in the entire document. The OCS proposal does not exist in a vacuum and the effects of concomitant related development need to be considered as part of a truly comprehensive environmental statement. Therefore, this section needs much more work to expand it to more fully judge the true effects of OCS and other energy development efforts.

Page 500 Again, the section looks good considering the limitations of the scope of the environmental statement. However, it continues to rely on technical solutions for what is really an environmental and socio-economic problem. The regulation and enforcement measures are fine as far as they go, but the basics of energy supply and demand are not addressed -- which remains a shortcoming of the entire effort.

Page 545 From this analysis, spilled oil continues to appear to have the most immediate severe consequences, with small, chronic oilings potentially the most serious. Staff is somewhat confused by spill estimates given on page 551 and those on page 85, especially on the frequency of major spills. This should be clarified.

Page 578 The discussion of the relationship between short term and long term uses (4 1/2 pages) is much too superficial to make any kind of judgement on the nature of the relationship and the trade offs between them.

Page 583 The attempted computation of net energy gain for this sale is a good first step in understanding the net benefits of OCS drilling. It would be very interesting if someday similar work could be done on all forms of energy production to determine which is the most effective in terms of net gain -- the greatest energy output for energy production input. The text as presented needs to be simplified for the average reader since this is not a scientific paper and the authors cannot assume prior knowledge of the concept by the reader. More importantly, the calculations are

incomplete and tend to give a larger net energy gain than may actually be realized. This happened because not all the energy inputs were considered and quantified. Many secondary inputs were excluded and these could be major consumers of energy. Secondary and tertiary recovery, and their energy inputs are also excluded for simplification. The Association encourages additional recovery and therefore feels that this should also be considered. "Highgrading" may keep oil prices somewhat lower now, but may increase prices later as easily accessible reserves become depleted and more expensive extraction processes become necessary.

Pages 539 - 761 The consideration of alternatives to the sale is quite good in a general sense. The environmental impacts associated with each alternative could be further expanded, especially on those which offer the most feasible alternatives to the proposal. Also, more combinations of the major alternatives are available than those presented. They could be combined for analysis indefinitely, yet the attempt should be made to identify the most promising, since the resolution of some existing conflicts may lie there. Page 734, "Combination of Alternatives" is especially significant and completely inconclusive. Adopted Association policy favors Alternative E, page 751, titled "Alternatives Within the Proposed Action". We emphasize that there should be provision for local government as well as state participation in development decisions, since it is ultimately local government which must deal with the environmental and social affects. Six months should be allowed for the review period. We fully agree with the statement on page 759 in that the adoption of this alternative would allow for a more orderly and comprehensive review of plans, allow for better intergovernmental coordination and cooperation, and could result in less overall adverse onshore impacts. Since this alternative is in keeping with the language and spirit of Association policies, we urge that the Secretary consider and adopt it if he decides to go ahead with the sale now or in the future.

environmental statement. Appendix 2.



2440

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 29 1975

OFFICE OF THE
ADMINISTRATOR

Mr. Curtis J. Berklund
Director
Bureau of Land Management
U. S. Department of the Interior
Washington, D. C. 20240

Dear Mr. Berklund:

In accordance with our responsibilities under Section 309 of the Clean Air Act, the Environmental Protection Agency has reviewed the final environmental impact statement on the Proposed Oil and Gas General Lease Sale Offshore Southern California (#35). We have concluded that the action as proposed engenders environmental reservations.

Although the quality of the environmental impact statement has been improved, we remain concerned about the hazards of using largely experimental technology to develop the large number of tracts which lie in deep water, especially in the absence of minimum technological standards or empirical evidence to prove the safety of the operations. We believe the offering of deepwater or higher risk tracts should be deferred and that there should be gradual progression into higher risk areas as experience with the requisite technology is assimilated. This might be accomplished through a phased development or prototype program. The development of the Hondo Field in the Santa Ynez Unit might accomplish this objective, particularly if there were special provisions made for the implementation and testing of subsea production facilities.

If, contrary to our recommendations, deepwater tracts are leased, we urge the Department to expedite plans to formulate deepwater operating orders, so that proper control over deepwater technology could be assured.

RECEIVED

SEP 30 1975

DIVISION OF RECORDS

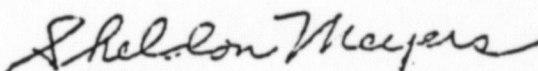
We remain committed to our original recommendations regarding:

- 1) the deletion of the twenty-two tracts south of San Miguel Island,
- 2) the establishment of a buffer zone around Areas of Special Biological Significance,
- 3) the exclusion of all petroleum support activities from the Channel Islands, and
- 4) a requirement that oil be transported by pipeline instead of by barge or tanker.

Finally, we urge that no plan of development be approved for any tract that may be leased, until the Coastal Zone Management Program prepared pursuant to the ~~California Coastal Conservation Act~~ and the Coastal Zone Management Act for the State of California has received final approval by the Secretary of Commerce. This issue demonstrates the utility of the dual EIS system which promotes timely and relevant environmental analysis of factors appropriate to the exploration phase and subsequently to the impacts associated with development-induced onshore impacts.

We appreciate the cooperation extended by your staff during the review of this statement, and we remain ready to assist you in any way possible regarding the actions recommended in these comments.

Sincerely yours,



Sheldon Meyers
Director
Office of Federal Activities

2442



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 3 1975

OFFICE OF THE
ADMINISTRATOR

Dear Mr. Secretary:

I am writing to call your attention to the Environmental Protection Agency's comments on the final environmental impact statement (EIS) for the "Proposed Oil and Gas Lease Sale Offshore Southern California (#35)." The enclosed comments, which have been transmitted to Mr. Berklund, indicate that following the review of the final EIS, EPA has environmental reservations concerning the action as described.

Knowing that your decision on the action is forthcoming, I urge that you consider the recommendations contained in our comments and that you direct your Bureaus to adjust the lease sale accordingly so as to ensure the recovery of the Southern California OCS resources in the most environmentally sound manner.

Our staff stands ready to further assist you in implementing our recommendations in whatever means possible.

Sincerely yours,

/s/ John Quarles

John R. Quarles, Jr.
Deputy Administrator

Honorable Kent Frizzell
Acting Secretary of the Interior
Washington, D.C. 20240

Enclosure

RECEIVED

OCT 7 1975

DIVISION OF
ENVIRONMENTAL

Mobil Oil Corporation

2443

P.O. BOX 5444
DENVER, COLORADO 80217

730
September 25, 1975

U. S. Department of the Interior
Bureau of Land Management
Washington, D. C. 20240

Attention: Mr. Curt Berklund, Director

Gentlemen:

FINAL ENVIRONMENTAL STATEMENT
OCS SALE #35

We have reviewed the Environmental Statement for the OCS Sale #35 as received and find one of the earthquake statements disturbing. On page 84 of Section II and again on page 96 of Section III, there is a statement made to the effect that a magnitude 8.0 earthquake should occur once in 52 years. There is some inconsistency even in the adjacent paragraphs, i. e., on page 84 Section II, it is stated that a 6.1 magnitude earthquake should occur each year, and on page 96 Section III, it is stated ". . . a magnitude of 6 could occur once every 10 years." We find the statement regarding the magnitude 8 earthquake once in 52 years most disturbing as it seems to be in conflict with the data presented in the exhibits on page III 94 (Figure III-14) and on page II 75 (Figure II-5). This data does not verify the statement in regard to the occurrence of a magnitude 8 earthquake. For instance, the Southern California Network, which areally covers the OCS Sale #35, indicates a maximum event of 7.2 magnitude as a 1 in 10,000 event. Assuming the validity of extrapolation of historical data, which is in question, the 8 magnitude earthquake becomes a 1 in 50,000 event for the inclusive area. Your statement on page III 93, ". . . Southern California is in an area of high seismic activity; although it has not been the site of a great earthquake (magnitude 8), . . ." strengthens our belief that the occurrence rate for the magnitude 8 earthquake is unreasonable. Further, the Department's Environmental Statement on the Santa Barbara Channel area cites a recorded history back to 1812 and points out a "Maximum Credible" earthquake of a less intensity than that stated in this statement.

2444

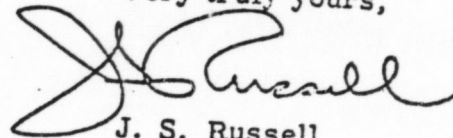
Mobil

U. S. Department of the Interior
September 25, 1975
Page 2

It is Mobil's opinion that the design of each platform should incorporate earthquake criteria specific for its particular location as analyzed by the many consultants competent in this discipline.

JSR/rm

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. S. Russell". The signature is fluid and cursive, with a large initial "J" and "S".

J. S. Russell
Region Producing Manager

FEDERATION OF ORGANIZATIONS FOR CONSERVING URBAN SPACE

FOCU

September 25, 1975

Chief
 Division of Minerals and Environmental Assessment
 Bureau of Land Management
 Interior Building
 Washington, D.C.

Dear Sir:

The Federation of Organizations for Conserving Urban Space has studied the Final Environmental Statement of the Bureau of Land Management, and finds the Final Statement inadequate.

Focus believes that the failure to specifically relate the hazards that are generated by military activities (missile launches and flights, manned and unmanned aircraft flights, bomb drops, anti-submarine warfare weapons and general gun firings) to public and environmental safety in the areas adjacent to the projected oil well platforms, is a major deficiency of the Final Environmental Statement.

In Volume 1, page 599, paragraph 2, it is stated that submarine transit lanes extend thru the lease area. In the past both submarines and missiles have gone off-course, colliding with other objects in the marine and shore environment. Such an accident could occur in the lease area, shearing off and deteriorating an oil platform. The possible release of nuclear radiation combined with exploding and burning wells, would convert the coastal zone of California into a disaster area.

The area used for military exercises contains 180 lease sites, yet the Final Environmental Statement fails to state what probabilities are that one of the numerous types of weapons (naval vessels and aircraft) used in the lease area could strike a well platform.

Because the Statement fails to consider the potential impact of mixed uses of the lease area by the Department of Defense and oil companies, it is our opinion that it fails to meet the legal requirements of the National Environmental Policy Act.

RECEIVED

SEP 30 1975

DIVISION OF MINERALS

Sincerely,
Alexander M. Friedman
 Alexander M. Friedman
 Chairman, FOCUS

BEST COPY AVAILABLE

2446

FEDERATION OF ORGANIZATIONS FOR CONSERVING URBAN SPACE

FOCU

September 27, 1975

Chief
Division of Minerals and Environmental Assessment
Bureau of Land Management
Interior Building
Washington, D.C.

Dear Sir:

In our letter to you of September 25, 1975, regarding the Final Environmental Statement, I failed to note that our lateness was due to the absence of the B.L.M. covering letter that had the date on which the Final E.I.S. was made available to the public.

Also, Volume 1 in the front page summary at item 7, gave no date in August on which the EIS was made available to the public, so we assumed we were still within the submission period for comment.

Sincerely,
Alexander M. Nan
Alexander M. Nan
Chairman, FOCUS

III. SUMMARY AND EVALUATION OF COMMENTS FROM LOS ANGELES OFFICIALS
ON THE OCS PROGRAMMATIC FINAL EIS WHICH PERTAIN TO MATTERS
DEALT WITH IN THE FINAL EIS FOR THE PROPOSED 1975 SOUTHERN
CALIFORNIA OCS LEASE SALE.

III.

A. City Attorney, Los Angeles, California (9-9-75)

Mr. Burt Pines, City Attorney, Los Angeles, submitted comments on the OCS programmatic final environmental impact statement (EIS) which BLM believes should also be considered in connection with your evaluation of the final EIS for the proposed southern California OCS lease sale. The comments were prepared by the Scientific Advisory Committee to the Southern California Council of Local Governments, and will be discussed hereafter.

Mr. Pines also states that his office believes that the amendments and revisions to the OCS programmatic final EIS warranted recirculation in draft form, and that the final document, even with revisions, remained inadequate.

Disposition

1. Recirculation of OCS programmatic EIS, after revisions, in draft form. The procedures involved in preparing the EISs for the accelerated OCS leasing program and the proposed southern California OCS oil and gas lease sale are discussed in detail in the response to the letter of comments received from the Southern California Council of Local Governments on the draft EIS for the proposed lease sale. See final EIS for the proposed lease sale (Vol. 3, pp. 414-426.)

2. Comments prepared by the Scientific Advisory Committee to the Southern California Council of Local Governments.

Robert L. Kovach

Dr. Kovach points out that several natural phenomenon, in particular seismicity, need to be clarified in more detail. He also comments that through further study initiated by the Interior Department, active seismic areas could be delineated.

Disposition

(1) The 940 ft. platform planned to be constructed in approximately 850 ft. of water in the Santa Barbara Channel is discussed fully in the Final Environmental Statement for the Proposed Plan of Development Santa Ynez Unit, Santa Barbara Channel, off California, 1974. The response of a structure to earthquakes are those recommended by Dr. G. W. Housner and Dr. P. C. Jennings of the California Institute of Technology. Their report "Earthquake-Resistant Design of Drilling Tower in the Santa Barbara Channel" (Humble Oil & Refining Company "Supplemental Plan of Operations, Santa Ynez Unit," Appendix 1.1)¹ describes in detail the response spectra and the general approach to earthquake-resistant design used in the design of the structure. The following are the earthquake design requirements, criteria, and some design condition satisfied in the design:

Criterion 1

Structural damage must be avoided in the event of ground shaking for which there is a significant probability of occurrence during the life of the Structure.

¹Humble Oil Refining Co. "Supplemental Plan of Operations, Santa Ynez Unit" will be referred to on subsequent pages as "Unit Operator's Supplemental Plan of Operations."

2450

A design spectrum scaled to reflect a ground acceleration of 0.25g is used.

Criterion 2

Safety against collapse must be provided in the event of the strongest potential ground shaking (or ground shaking having an extremely small probability of occurrence); plastic straining and moderate yielding are permitted.

A design spectrum scaled to reflect a stabilized ground acceleration 0.5g is used.

Criterion 3

The structure must have sufficient ductility to undergo plastic straining without loss of structural integrity. (This condition insures ductile behavior well into the yielding range.) To insure fulfillment of criterion 3, the structure is designed to accommodate without collapse deformations 2.0 times those resulting from the application of criterion 1, or 1.25 times the deformation resulting from the application of criterion 2, whichever is the larger.

For more detailed information, consult the Santa Ynez EIS.

(2) It is understood that the intensity scale is a relative measurement of a earthquake and that the Richter Scale is a measurement of magnitude rather than of intensity. The author regrets that this use of words was not corrected prior to the FES printing.

(3) In section III.A.3. of the Final Environmental Statement for Offshore Southern California (1975), it is indicated that

the greatest amplitude and longest duration of motion is found in thick water saturated sediment areas. It is further indicated that damage resulting from earthquakes could result in numerous consequences, of which one was failure of structures and pipelines due to seismic shaking.

(4) A study on the seismicity in the Southern California Borderland has been prepared by the U.S. Geological Survey and is attached to this evaluation of comments.

(5) Concerning the statement on p. 96, what is meant to be conveyed is that the threat of Southern California's moderately high seismicity does not pose as serious a hazard to platforms and pipelines as the substantial damage that could occur to tankers moored at fixed berths by a tsunami of moderate size.

James Morin

Dr. Morin commented on several aspects of the OCS programmatic final EIS concerning marine invertebrates.

DispositionConsulting the Available Literature

The benthos of the Southern California Bight, including most of the reference cited by Morin have been covered in Sale No. 35 FEIS in Volume 1, p. 203-410, 481-493, and 506-513.

Evaluation of Marine Communities

Morin states "there is adequate general information available to make some assertions about the overall potential impacts that development could have on the community organization of many habitats." This is only partly true, and is an oversimplification.

Kelp beds are covered in proposed Sale No. 35 final EIS in Volume 1, p. 508-513, 727-733, Volume 2, p. 168, 244-248.

Environmental Impact Data

For answers to statements on the Santa Barbara oil spill, see response to Dr. Chapman.

The statement concerning baseline studies and the continuation of these studies during exploration and operations is justified.

General Impact

No comment on the first two statements.

3. Morin criticizes the final EIS for the coverage of chronic and sublethal effects because nothing is said about the influences on the physiology and behavior of the organism itself. This subject is dealt with in proposed Sale No. 35 final EIS, Volume 2, p. 244-249 and food chain accumulation on p. 269-272.

Unavoidable Adverse Environmental Effects

Morin is concerned that the unique biological areas have not been identified sufficiently enough to plan drilling operations. Unique environments are covered in proposed Sale No. 35 FEIS, Volume 1, p. 530-548 and the potential impact on them in Volume 2, p. 363-364.

It is highly probable that all the unique biological areas have not yet been identified.

David Chapman

Dr. Chapman submitted comments concerning phytoplankton, the kelp industry, formation water effects and interpretation of oil spill impacts.

Disposition

(1) The importance of phytoplankton has been covered in proposed Sale 35 final EIS in Volume I, p. 157-182, and Volume II, p. 129-146.

(2) The kelp industry is covered in proposed Sale 35 final EIS in Volume I, p. 727-732, and the potential impacts on in Volume II, p. 244-248.

Dr. Chapman is concerned with the statement in the programmatic final EIS (2,8) "impacts ... are thus undifferentiable among areas except for the species of biota being affected."

The statements in proposed Sale No. 35 final EIS (Vol. II, p. 102-104) do not support the above statement, although it was indicated that some generalizations can be made from studies of other geographic areas.

The relationship between formation waters and dissolved oxygen is outlined in proposed Sale No. 35 final EIS p. 289. What Chapman says about the need for quantification is true. The problem is that many effects cannot be quantified either because data is lacking or there are potentially too many variables to make quantification practicable. Under these circumstances, qualitative observation is the most realistic, and, probably, the only one available.

The quantity of oil spilled during the Santa Barbara blowout was never actually measured, but only estimated by various sources.

Estimates of the quantity of oil spilled vary from 10,000 bbl. to 700,000 bbl. The final EIS for proposed Sale No. 35 used the estimate of Allen of from 70,000 bbl. to 100,000 bbl.

Chapman makes the following criticism:

"I feel this FES still has a tendency to slant their statements. In pages 105-108, they discuss the disagreement among scientists about the effect of the Santa Barbara spill. Yet, at the end of this discussion (2,108) they flatly state that 'the massive Santa Barbara oil spill apparently has not resulted in major long term impacts...' The latter statement should have had an attribution. According to reports by Stranghan, there are apparently few if any long term effects resulting from the Santa Barbara oil spill.

Richard L. Perine

Comments received from Dr. Richard L. Perine are as follows:

- (1) The impact on air quality section needs to be expanded.
- (2) The irreversible and irretrievable commitment of resources section needs to be expanded.
- (3) A tie needs to be established so that impacts on Southern California will be addressed, including the alternatives available.

Disposition

- (1) The information on air quality which is lacking in the programmatic statement is in the proposed Southern California OCS lease sale final EIS, Vol. 2, pp. 274-285; responses in the final EIS to the Resources Agency of California and the Southern California Air Pollution Control District; and responses herein to the latter two agencies.
- (2) The irreversible and irretrievable commitment of resources section in the proposed Southern California OCS lease sale final EIS, Vol. 2, 578-580 addresses the deficiencies within the Southern California area.
- (3) Please refer to the proposed Southern California OCS lease sale final EIS for establishing a relationship with the local area and for addressing local impacts resulting from the proposed lease sale.

Alan C. Lloyd

Comments received from Alan C. Lloyd of the Statewide Air Pollution Research Center, Riverside, California, are as follows:

1. The text should discuss the emission of hydrocarbon resulting from the transfer of oil e.g., filling tankers.
2. The text should address tanker filling operations and the transfer of oil operations.
3. Quantitative estimates should be given on emissions resulting from oil fires.
4. The comments on air quality apply generally and do not address the Southern California problems.
5. Emissions from natural gas fires should be qualified to show that CO and SO₂ will affect air quality.
6. Estimates should be shown on the increases in refinery capacity.
7. The text should include discussion on the impact of methane on air quality.

Disposition

Comments 1-3: Refer to responses herein on comments submitted by the Resources Agency of California and the Southern California Air Pollution Control District on the proposed Southern California OCS lease sale final EIS.

4. Comments concerning Southern California are covered in the proposed Southern California OCS final EIS, Volume 2, pp. 274-285 and to the responses mentioned in 1-3 above.

5. It is agreed that Co and SO₂ will have an adverse effect on air quality. The comments relate to emissions from a natural gas fire. In the proposed Southern California OCS lease sale final EIS, Volume 2, pp. 274-285, discussion is included on the subject.

6. The comment on the increases in refinery capacity concerns more than just the Southern California area. There is discussion in the Southern California final EIS on the potential impacts resulting from one additional refinery. (See Vol. 2, Sec. III N)

7. It is agreed that methane would have a negative impact on air quality, but mainly in the immediate area of the source. The impact on shore would depend on the distance of the source from shore, wind and air speed conditions, moisture content of the air, etc.

Richard Emmerson

Dr. Emmerson submitted the following comments:

1. Socio-economic data in the programmatic FEIS does not provide evaluation of onshore impacts of OCS development.
2. The FEIS does not quantify aesthetic impacts resulting from OCS development.

Disposition

1. In addition to providing information on employment, capital expenditure, and other specific economic data relating to OCS development, the proposed Southern California OCS Lease sale final EIS also provides general socio-economic data on onshore impacts of offshore development (see pgs. 365 to 421, Volume 2 of 5, of the Southern California FEIS).

2. In determining the costs associated with OCS development, aesthetic degradation is one of the variables taken into account. A discussion of this can be found in the "alternatives" section of the FEIS for the proposed sale (Volume 2, Section VIII).

Malcolm S. Gordon

Dr. Gordon comments that although the biological portions of the final EIS are generally accurate as far as they go, they do not go far enough in many important respects. The biological impacts not adequately treated include:

1. Long-term, chronic effects of oil pollution
2. Heavy metal impacts
3. Long-term impacts of formation waters
4. Impacts on mesopelagic and deep sea benthic organisms
5. Low molecular weight hydrocarbons including carcinogens
6. Impacts on oceanic food webs

Disposition

1. As mentioned in the response to Dr. Gordon's comments on the proposed Southern California OCS lease sale final EIS, Volume 3, p. 488, Section III.D.6. of that statement treats chronic impacts from oil pollution as far as possible. We acknowledge that the long-term impacts are poorly known. There are other references to chronic long-term effects of oil as marine biota in several subsections of Section III.C., D., and E. of Volume 2.

2. Long-term effects of heavy metals on marine organisms are also poorly known. This subject is treated in Section III.D.6. of Volume 2 of the final EIS for the proposed lease sale.

3. The long-term impacts of formation water discharge have been treated more fully in the final EIS for the proposed

lease sale, Sections III.C.1. and 2. of Volume 2. Refer also to the response to Dr. Enright's comments on formation water on p. 451-452 of Volume 3 of the final EIS for the proposed lease sale. The salinities of the brines from present offshore Southern California wells range from 26 to 42 ppt. (p. 14 of Volume 2) and are close to the salinity of ocean sea water (33 to 35 ppt).

4. Refer to the response to Dr. Gordon's comments on p. 449-450 of Volume 3 of the final EIS for the proposed lease sale for treatment of impacts on mesopelagic and deep sea benthic organisms. Again, a lack of knowledge of impacts is acknowledged. Section III.C.2. of Volume 2 discusses impacts on the benthos including deep sea fauna in light of current knowledge.

5. The effects of low weight molecular hydrocarbons are discussed in Section III.B. of Volume 2 of the final EIS for the proposed lease sale as well as in Section III.D.6. Possible carcinogenic affects are also treated in Section III.D.6.

6. As mentioned on p. 449 of Volume 3 of the final EIS for the proposed lease sale, there is little information on population dynamics and other ecological relationships specific to the Southern California area. There is some discussion of impacts on the marine food web in Sections III.D.1. and III.E.3. Once again, this is a subject that is poorly known and only fragmentary studies and information exist.

III.

B. Mayor Tom Bradley and City Attorney Burt Pines,
Los Angeles (8-22-75)

Mayor Bradley and City Attorney Pines submitted joint comments on the OCS programmatic final environmental impact statement (EIS). In many instances these comments are site-specific in orientation and the subject matter has been dealt with in the site-specific final EIS for the proposed southern California OCS lease sale. Because of this, BLM believes that you should also consider and evaluate these comments in connection with your consideration of the proposed southern California OCS lease sale.

The following items of concern were listed by Mayor Bradley and City Attorney Pines:

1. The revisions contained in the OCS programmatic final EIS are substantial and require recirculation of the statement in draft form for public comment to satisfy public participation requirements of NEPA. A belief was stated that the waiting period following the release of a final program EIS is not designed to receive comments because public comments received thereafter will not receive full, good faith consideration required by NEPA and be included in the final document and responded to therein.

2. The timing of tract specific activities in southern California and elsewhere was objected to on the basis of a belief that such activities may not legally be undertaken unless and until a final legally adequate program EIS has been completed and a final decision made to go forward with a national leasing program.

Disposition

The procedures involved in preparing the EISs for the accelerated OCS leasing program and the proposed southern California OCS oil and gas lease sale, including opportunities for public participation relative to the final EISs, are discussed in detail in the response to the letter of comments received from the Southern California Council of Local Governments on the draft EIS for the proposed lease sale. (See site-specific final EIS, Vol. 3, pp. 414-426.) As stated therein and in the letter of March 28, 1975, from Assistant Secretary Hughes to the commenting parties, the Department believes that it has made an unprecedented effort to achieve full public participation in the consideration of the EISs in question. (See attachment hereto relating to public participation.)

Additional Comments

It was also stated that the following deficiencies in the OCS programmatic draft EIS were not cured in the programmatic final EIS.

1. The lack of data on both the nation's offshore environmental resources and the environmental impacts of offshore oil and gas development on those resources.
2. The EIS does not include critical geological and geophysical data in the possession of the U.S. Geologic Survey from which the hazards of drilling could more fairly be known.
3. The document does not discuss the relative environmental impacts of offshore oil and gas drilling in various geographic areas of the United States, so that a decision can be made as to which areas are most appropriate for development.

4. Degradation of air quality, especially from secondary impacts of the proposed project, is inadequately discussed.
5. Onshore land use impacts associated with offshore development are not fully analyzed.
6. The EIS fails to discuss unavoidable adverse economic and resource losses to state and local governments due to oil spills and the necessity to provide additional public services as a result of growth induced by offshore development.
7. Possible mitigation measures are not adequately treated.
8. Accelerated offshore development is not discussed in the context of a comprehensive national energy policy, demonstrating the need for such development.
9. The alternative of energy conservation is not adequately considered.

Disposition

1. We believe that the deficiency referred to has been satisfactorily responded to in the letter of comments itself. As noted in Item 4 (page 2) of the list of revisions compiled by Mayor Bradley and City Attorney Pines, "also added to the revised EIS is an entirely new 82-page description of the nation's offshore environmental resources, essential information for making meaningful public comment on the expanded OCS leasing proposal." (Emphasis added.) Moreover, as stated in Item 2 (page 1), "172 pages of new information have been added on environmental impacts of the proposed lease sale (sic) (more than double the information provided in the draft EIS), including critical estimates of the likelihood

of oil spills reaching shore". In addition, the Bureau of Land Management has provided detailed site-specific information on these subjects in Sections 2, 3 and 8 of the site-specific final EIS for the proposed southern California OCS lease sale.

2. The only information in the possession of the Geological Survey that cannot be included in an EIS is that data which is proprietary in nature. The Bureau of Land Management believes that the information presented in the OCS programmatic EIS and the site-specific EIS presented a thorough discussion of the potential environmental impacts of, including hazards of drilling, and alterantives to the two actions in question.

3. The ranking of areas and regions of the OCS is done in many ways and at many stages of OCS leasing. For example, the OCS programmatic final EIS contains a regional analysis of the environment, each region having been analyzed with respect to phenomena unique to the area with potential to cause or contribute to environmental impacts of the proposed action. (Vol. 1, pp. 217-219, pp. 268-270, etc.). It also contains a regional analysis of significant and potential vulnerable resources (Vol. 1, pp. 699-775). It contains a further analysis of natural phenomena in each OCS area, and their impact (Vol. 2, pp. 61-78). It contains an area-by-area evaluation of oil spill risks due to natural phenomena (Vol. 2, pp. 86-99). It contains a proximity analysis of oil spill hazard by region, including 74 specific areas of analysis (Vol. 2, pp. 109-138). All of these regional analyses, which are means of ranking of areas, differ in complex ways and the approach used in the final EIS is appropriate to each subject or impact.

The FEIS assessment of environmental impacts begins with the assumption that the massive oil spill represents the most significant impact-inducing event related to OCS resource development. Through a relative assessment of spill risk, potential in the various OCS areas and relative consideration of other less quantifiable potential impact parameters, two alternative lease scheduling alternatives are presented under the 'save the worst for last' strategy. The leasing of a Slower Rate Alternative (Vol. 2, pp. 335-40) should also be considered in connection with the two alternatives referred to.

The EIS emphasizes that many potential impacts cannot really be quantified or legitimately ranked in importance from area to area. Any relative comparison or ranking of environmental resources or potential impacts of OCS leasing on these resources would ignore their unique character and importance.

4. The treatment of potential impacts on air quality is discussed in detail in the responses herein to the comments of the Resources Agency of California (Air Resources Board); the Southern California Air Pollution Control District, and City Attorney Pines (9-9-75). (See pages 2-1 to 2-14, and 3-1 to 3-14).

5. In connection with the presentation of material on potential on-shore impacts of potential OCS oil and gas leasing and development, see responses herein to comments from City Attorney Pines, dated September 9, 1975 (Richard Emmerson). (page 3-12)

For purposes of a programmatic discussion, onshore land use requirements and conflicts are best described in general terms. These impacts are generally local and are most logically addressed in a site-specific EIS for a proposed lease sale area, which is the procedure we followed. Otherwise, the programmatic EIS would become a combination of the 17 or more site-specific EISs rolled into one.

6. See response to Item 5 above. Also see discussion in site-specific final EIS in response to comments of the Southern California Council of Local Governments (Vol.3, pp. 428-431). These issues were also discussed in the OCS program the final EIS. (See Vol. 2, Secs. III.G.H. and I. and V.B. and H.).

7. The Bureau of Land Management believes that it has presented a thorough discussion of mitigating measures for potential impacts of OCS oil and gas leasing in the OCS programmatic final EIS and the site-specific final EIS.

In comments submitted on the draft programmatic EIS, the Council suggested five mitigating measures which might reduce the impacts of OCS development. Briefly, these are: (1) immediate exploration of the OCS, but delayed development and/or production; (2) priority in lease sales farthest from shore; (3) camouflaging rigs; (4) subsea completions; and (5) commitment to more stringent drilling and production regulations (see FEIS, Vol. 3, pp. 574-579 for full Council text).

The subject matter of these suggestions is addressed in the programmatic final EIS. Point (1) is discussed in the context of proposal alternatives I and J (Vol. 2, pp. 350-356); point (3) under Impacts Sec. III-B); and point (4) under sections I-C and III-B. See Vol. 2,

pp. 653-654 for Bureau comments on items (2) and (5) (Bureau response (2), p. 653 should reference sec. VIII-H, not VIII-E).

8. Assessment of OCS oil and gas leasing in the context of a National Energy Goal or Policy.

One of the specific alternatives to the accelerated OCS oil and gas leasing program which is discussed and analyzed in the OCS programmatic final EIS is to "postpone decisions about the OCS until a comprehensive national energy plan is developed." Vol. 2, Sec. VIII.D., pp. 292-294).

In fact, the program EIS considers an unusually wide range of alternatives, numbering 12 basic alternatives and 12 more sub-alternatives of three of the major alternatives. The discussion of potential impacts of energy alternatives was in fact derived in part from the Project Independence Report. A more detailed evaluation of alternatives appears more appropriate in the environmental statements to be issued for individual lease sale proposals. The Project Independence Report is discussed throughout the final EIS. (See Vol. 1, pp. 9, 12, 137-139; Vol. 2, pp. 296, 297, 308, 309, 310, 314, 316, 319.)

A fundamental misunderstanding in this contention is that the nation can delay consideration of OCS lease sale proposals until some future date when there is a national energy policy or at some other unspecified time. Such a view of the United States energy situation fails to comprehend the drastic condition of energy supply in this country and the need for expeditious short-term relief. The nation cannot afford to wait an indeterminate period for a national energy policy that may provide for development of technology to infuse a complete revolution in energy. Until

such a plan is agreed upon and the revolution occurs, the nation must continue to operate on petroleum. A grasp of this reality is among the reasons the Department determined to adopt the accelerated OCS oil and gas leasing program. Furthermore, Congress itself has given the Secretary of the Interior a mandate to develop the nation's OCS oil and gas resources under the OCS Lands Act, consistent with protection of the environment.

A second question pertaining to the call for delay is when can a consensus be expected on a national energy plan or policy so that implementation becomes possible. At present, the Administration has defined a comprehensive national energy policy proposal. Significant parts of this energy policy cannot be implemented without new legislative authority. Some 50 bills are pending before the Congress which would affect various aspects of domestic energy production in diverse ways. Certain bills have reached the conference stage of consideration, but positive action on these bills will not result in a comprehensive national energy policy, as viewed by those proposing a delay for this purpose. Ford Foundation's A Time to Choose offers another formulation for a national energy policy. Still another national policy has been advanced by the Energy Research and Development Administration. In these circumstances, it would not be a reasonable course of action to withhold decisions on energy policy which would result in implementation of that policy.

9. The Bureau of Land Management believes that the energy conservation alternative has been discussed in detail in the final EISs in the context of the program and the proposed southern California OCS lease sale. (See OCS programmatic EIS, Vol. 2, pp. 295-300, site-specific final EIS, Vol. 2, pp. 671-682 and Vol. 3, pp. 427, 439.)

The Bureau of Land Management believes that one other observation in the letter of comment should be addressed, that is, the comment that the goals of the program have been substantially altered, "with a newly enunciated strategy of leasing as early as possible those areas with the richest and most accessible potential oil and gas reserves, regardless of environmental consequences". This is not the case.

While the 10 million acre goal of the proposed was eliminated, the modification is within the scope of the original proposal and clearly is a downward revision in the acreage goal to be sought consistent with environmental safeguards.

From the first announcement of the proposal to accelerate OCS oil and gas leasing, one of the stated goals has been to make available for development first the most promising offshore areas, if environmentally acceptable. On January 24, 1974, Secretary Morton explained this aspect of the proposal to the Subcommittee on Immigration, Citizenship, and International Law, House Judiciary Committee, as follows:

Since it is important that the most promising offshore areas be made available for development first, if the environmental conditions are acceptable, the accelerated leasing program will be coupled with a new two-tier nomination system. Under this system, industry will first rank the regions they think are most favorable. The public will be invited to identify environmental conditions and problems in these regions. The Interior Department will use the industry and environmental rankings of

regions, along with its own evaluations of resource potential and need to protect environmental values, to select the most promising regions for early development. Subsequently, within designated sale areas, industry will nominate individual tracts as is currently being done. The two-tier system will help to ensure that our scarce oil exploration and development resources can be employed on the most promising tracts, and that major areas of environmental concern will not be touched. (Emphasis added.)

The notice requesting comments on potential future OCS oil and gas leasing (first tier of the two-tier nomination system) stated that the request was being made "in order to help ensure that scarce resources for exploration and development can be employed on the most promising areas consistent with environmental safeguards." (Emphasis added.) 39 F.R. 6541 (February 20, 1974).

APPENDIX I

Public Participation in EIS Process

1. Public hearings were held on the OCS programmatic DEIS in Anchorage, Alaska (February 3 and 4, 1975); Beverly Hills, California (February 6, 7, and 8, 1975); and Trenton, New Jersey (February 11, 12, 13, and 14, 1975). The hearing record contains the testimony of 344 persons during 84 hours of testimony over the 9-day period and totaled 3,019 pages.
2. Public hearings were held on the site-specific DEIS in Los Angeles, California, on May 6, 7, and 8, 1975. The hearing record contains the testimony of 150 persons during 31 hours of testimony over the three-day period, and totaled 1,180 pages.
3. In the course of the EIS coordination process for the two OCS proposals in question, the Department has provided five periods during which federal, state, and local agencies and interested citizens' organizations, and individual members of the public could submit to the Department comments on the EISs and the proposals. These commenting periods were as follows:

- (1) OCS Programmatic DEIS Hearing and Comment Period.

The Department accepted written testimony and comments on the OCS programmatic DEIS and on the proposal, from October 21, 1974, to February 24, 1975. Oral comments were accepted from the public at the public hearings referred to in paragraph 32 hereof. Written comments were accepted until February 24, 1975, in order to allow time for those unable to testify at the hearings to make their views known and for the submission of supplemental materials by those who had presented oral testimony.

(2) OCS Programmatic FEIS Review and Comment Period.

The Department accepted written comments on the OCS programmatic FEIS for a period of 60 days following the submission to CEQ and the date of availability to the public, July 11, 1975. Interested individuals, representatives of organizations and public officials had the opportunity to comment on any aspect of the FEIS. The 60-day review and comment period ended September 9, 1975.

(3) Site-Specific DEIS Hearing and Comment Period.

The Department accepted written testimony and comments on the site-specific DEIS and on the proposal, from February 21, 1975, through May 23, 1975. Oral comments were accepted from the public at public hearings held in Los Angeles on May 6, 7, and 8, 1975. Written comments were accepted until May 23, 1975, in order to allow time for those unable to testify at the hearings to make their views known and for the submission of supplemental materials by those who had presented oral testimony.

(4) Site-specific DEIS and FEIS Review and Comment Period During OCS Programmatic FEIS Review and Comment Period. The Department accepted written comments on the site-specific DEIS, and FEIS after issuance, and on the proposal, during the review and comment period of 60 days provided for the OCS programmatic FEIS. Interested individuals, representatives of organizations, and public officials submitting written comments during this period had the opportunity to comment on those topics, issues, and aspects of the site-specific impact statement that may be interrelated with or affected by the discussion and analysis in the OCS programmatic FEIS.

(5) Site-Specific FEIS Review and Comment Period.

The Department accepted written comments on the site-specific FEIS, and the proposal, during a review and commenting period of 30 days after the site-specific FEIS was submitted to CEQ and made available to the public, August 15, 1975. Interested individuals, representatives of citizen's organizations and public officials submitting written comments during this period had the opportunity to comment on any aspect of the site-specific FEIS and on any interrelation with the discussion and analysis of the OCS programmatic FEIS. The 30-day review and commenting period ended on September 15, 1975.

Department of the Interior Efforts to Achieve Full
Public Participation in the Consideration Processes
Adopted for the Proposed Program to Accelerate OCS
Oil and Gas Leasing and the Proposed 1975 OCS Lease
Sale of Lands Offshore Southern California^{1/}

- July 10, 1973 - Publication of tentative schedule of possible lease sales, including possible lease sale of lands offshore southern California. (DOI News Release)
- July 17, 1973 - Resource reports requested from 12 Federal agencies and State of California Lands Commission regarding possible OCS leasing of lands offshore southern California.
- October 1973 - Literature survey and information void identification contract relating to southern California environment awarded to California State (Dominguez Hills, Fullerton, Long Beach, and Northridge) and California Polytechnic (Pomona).
- January 2, 1974 - Call for nominations of tracts for possible leasing offshore southern California (39 F.R. 18; DOI News Release).
- February 2 and 8, 1974 - Request for comments of the public on matters of environmental concern in connection with possible OCS oil and gas leasing offshore southern California (39 F.R. 4934 (Feb. 8, 1974); DOI News Release (Feb. 2, 1974)).
- February 13, 1974 - Coordination meeting with California State agencies (Resources, Fish and Game, Lands, Oil and Gas, Recreation) regarding possible OCS leasing offshore southern California.

^{1/} Efforts to achieve public participation include requests for comments from the public; Interior sponsorship or participation in hearings, forums, symposiums, and meetings; and presentation of Departmental positions by speeches and public announcements. Similar efforts to enlist public participation have taken place in Atlantic Seaboard, Gulf of Mexico, and Alaskan communities, but they are not addressed herein.

- February 20, 1974 - Request for comments of the public on matters of environmental concern in connection with possible OCS oil and gas leasing nationwide, including southern California (39 F.R. 6541-6542; DOI News Release).
- April 2, 1974 - Meeting with California State Lands Division regarding State sanctuaries and 3-mile boundaries.
- April 9, 1974 - Testimony by William E. Grant, Manager, Pacific OCS Office, Bureau of Land Management, before California Assembly Select Committee on Coastal Zone Resources (public hearing).
- April 10-12, 1974 - Meeting of OCS Research Management Advisory Board, Washington, D.C., relative to OCS environmental studies in the Mississippi, Alabama, Florida area (MAFLA) (Open to public).
- April 19, 1974 - Meeting with Mayor, Newport Beach, California, regarding possible OCS leasing offshore southern California.
- April 25, 1974 - Speech by Secretary Morton on energy in San Diego, California, AAPG Editorial Board (press conference).
- April 29, 1974 - Meeting with Sierra Club in Los Angeles regarding possible OCS leasing offshore southern California and EIS process.
- May 1, 1974 - Meeting of OCS Research Management Advisory Board, Washington, D.C., relative to MAFLA area environmental studies (Open to public).
- May 7, 1974 - Meeting of MO OIL, Inc., Pacific Palisades, regarding possible OCS leasing offshore southern California (ELI participated).
- May 13, 1974 - Meeting of Malibu Town Council regarding possible OCS leasing offshore southern California (ELI participated meeting open to public).
- May 16, 1974 - Publication of proposed set of regulations dealing with the submittal and public disclosure of geological and geophysical data collected by the petroleum industry. Comments requested. (39 F.R. 17446-17447)

- May 16, 1974 - Letters from Secretary Morton to Governors of Coastal States, including California, inviting designation of representatives to serve on CCS Research Management Advisory Board and advising Governors of Department's intention to prepare EIS on proposed program to accelerate CCS oil and gas leasing nationwide.
- May 20, 1974 - Announcement of intention to prepare EIS on proposed program to accelerate CCS oil and gas leasing nationwide and request for comments from the public (39 F.R. 17777-17779; DOI News Release (May 22, 1974)).
- June 5, 1974 - Speech by William E. Grant, Manager, Pacific CCS Office, to Granada Hills Adult Education Association regarding possible CCS leasing offshore southern California.
- June 10, 1974 - Meeting of CCS Research Management Advisory Board, relative to CCS environmental program consisting of four principal elements: Inventory of existing environmental information; Bench mark (baseline) environmental studies; Follow-on environmental monitoring; and Environmental research and special studies. State of California represented and plans for southern California environmental studies discussed. (Open to public)
- June 14, 1974 - Meeting conducted by Senator Cranston in Santa Monica, California, regarding possible CCS leasing offshore southern California. (Testimony by William Grant, Manager, Pacific CCS Office)
- June 25 and 26, 1974 - Public hearings conducted by Interior on proposed Departmental regulations placing limitations on joint bidding for CCS oil and gas leases.
- June 27 and 28, 1974 - Briefings for Senators Cranston and Tunney and southern California Congressional Delegation by Deputy Under Secretary Carter and other Interior officials, in Washington, D.C., regarding possible CCS leasing offshore southern California.
- July 1, 1974 - Meeting with Sierra Club in Los Angeles regarding EIS process and baseline studies for southern California CCS area.
- July 10, 1974 - Letters of reply to Senators Cranston and Tunney and California Attorney General Younger from Under Secretary Whitaker and Secretary Morton, respectively, explaining Departmental position on tentative selection of tract for further environmental study in connection with CCS leasing offshore southern California.

- July 11, 1974 - Meeting with State of California officials in Sacramento, California, regarding possible OCS leasing offshore southern California, and tentative selection of tracts for further environmental study in connection therewith. (Interior group headed by Deputy Under Secretary Carter and Deputy Solicitor Lindgren.)
- July 12, 1974 - Meeting with City and County officials in Los Angeles. Representatives of three counties and 24 cities invited. (Same subject and same Interior group as July 11 meeting)
- July 15, 1974 - Public meeting in Santa Monica, California, Civic Auditorium. (Same subject and same Interior group as July 11 meeting)
- July 15 and 16, 1974 - Public hearings in Washington, D.C., on proposed regulations dealing with the submittal and public disclosure of geological and geophysical data collected by the petroleum industry.
- July 30, 1974 - Meeting at University of Southern California, Sea Grant Program, regarding general aspects of OCS oil and gas leasing and production. (BLM participated.)
- July 31, 1974 - Meeting of representatives of several California universities regarding baseline studies in southern California OCS area, at UCLA. (BLM participated.)
- August 7, 1974 - Letters from Deputy Under Secretary Carter to California State Lands Commission; Coastal Zone Conservation Commission; Director of Harbors, Beaches and Parks, Orange County; Mayor Bradley, City of Los Angeles; Sierra Club; and Seashore Environmental Alliance, inviting them to designate a representative to work with Interior Pacific CCS staff during preparation of the site-specific DEIS for a possible 1975 CCS oil and gas lease sale of lands offshore southern California.

Between July and September 1974, the Department invited a large number of governmental agencies, professional groups, and private organizations to participate in the preparation of the site-specific DEIS referred to above, including 10 Federal agencies; 18 California regional and State government organizations, including long range comprehensive planning and coastal zone management agencies; 25 government bodies from the counties of Los Angeles, Orange, Santa Barbara, Ventura, and San Diego, including economic development and pollution control bodies;

- August 7, 1974
(cont'd)
- 15 city governments, including port authorities; 37 private companies and organizations, including banking, communications, power, tourism, manufacturing, and petroleum concerns; and 22 universities and research organizations, including oceanographic and marine oriented elements.
- August 7, 1974
- Meeting with Southern Coastal Region of California Coastal Zone Conservation Commission regarding possible OCS oil and gas leasing offshore southern California and potential environmental impacts of oil and gas development. Interior representatives, Deputy Solicitor Lindgren and Deputy Under Secretary Carter.
- August 7, 1974
- Meeting with Chairman of Santa Barbara County Board of Supervisors. Same subject and same Interior representatives as preceding meeting.
- August 8, 1974
- Meeting with California Coastal Zone Conservation Commission, in San Francisco. Same subject matter and same Interior representatives as preceding two August 7 meetings.
- August 8, 1974
- Meeting with California State Lands Commission in Sacramento, California. Same subject matter and same Interior representatives as preceding three meetings.
(California State Lands Commission: Coastal Zone)
- August 12, 1974
- Announcement of tentative selection of tracts for further environmental study in connection with a possible 1975 OCS oil and gas lease sale of lands offshore southern California and of Interior's intention to prepare a site-specific EIS on that proposal. (DOI News Release)
- August 13, 1974
- Meeting with Orange County Harbor Department regarding possible OCS leasing offshore southern California (meeting open to public).
- August 28, 1974
- Meeting with Ventura County officials in Los Angeles regarding possible OCS leasing offshore southern California.
- August 29, 1974
- Meeting with Orange County officials in Los Angeles regarding possible OCS leasing offshore southern California.
- August 1974
- Pacific OCS Office furnished to the California Attorney General copies of all file documents requested concerning a possible 1975 OCS lease sale of lands offshore southern California.

- September 9, 1974 - Meeting at University of Southern California, Sea Grant Program, regarding socioeconomic impacts of OCS oil and gas development. (BLM participated.)
- September 20, 1974 - Meeting with Los Angeles County officials regarding possible OCS leasing offshore southern California.
- September 27, 1974 - Meeting of League of Women Voters regarding possible OCS leasing offshore southern California. (BLM participated in panel discussion, open to public.)
- September 27 and 28, 1974 - U.S. Senate Public Hearings, Commerce Subcommittee on National Ocean Policy Study (testimony by Interior group headed by Deputy Under Secretary Carter and Deputy Solicitor Lindgren).
- October 3 and 4, 1974 - Meeting of OCS Research Management Advisory Board in Washington, D.C., regarding OCS environmental studies and study plans. State of California represented and plans for southern California OCS environmental studies discussed. (Open to public.)
- October 16, 1974 - Speech by Mike Carter, Pacific OCS Office, to American Petroleum Institute in Bakersfield, California, regarding possible OCS leasing offshore southern California. (Open to public.)
- October 18, 1974 - Announcement that OCS programmatic DEIS had been published and will be available for review by the public. (39 F.R. 37222; DOI News Release (October 21, 1974))
- October 22, 1974 - Meeting with eight California State agencies regarding site-specific DEIS input and coordination. (Open to public.)
- October 24, 1974 - Meeting with Seashore Environmental Alliance in Los Angeles regarding site-specific DEIS input and coordination.

- November 13 and 14, 1974 - Coastal States Governors Conference sponsored by Interior regarding proposed program to accelerate CCS oil and gas leasing nationwide, in Washington, D.C. Addresses by President Ford, Treasury Secretary Simon, Interior Secretary Morton, and FEA Administrator Zarb. State of California and City of Los Angeles represented. (November 14 session open to public.) (DOI News Releases (2))
- November 14, 1974 - Bureau of Land Management announcement of new proposed CCS planning schedule of possible CCS lease sales through 1978, including possible California CCS sales. (DOI News Release)
- November 21, 1974 - Meeting at University of Southern California, Sea Grant Program, regarding socioeconomic impacts of CCS development. (BLM participated.)
- December 5, 1974 - Meeting with California State Lands Commission regarding State-Federal CCS Boundary Problems.
- December 5, 6, and 7, 1974 - Public meeting sponsored by Southern California Academy of Science and hosted by the Bureau of Land Management, on Queen Mary, regarding southern California CCS environmental baseline study plans.
- December 11, 1974 - Speech by William Grant, Manager, Pacific CCS Office to Long Beach Chamber of Commerce regarding possible CCS leasing offshore southern California. (Open to public.)
- December 12, 1974 - Speech by William Grant to Huntington Beach Environmental Council on same subject as December 11 speech. (Open to public.)
- December 19, 1974 - Meeting of Southern California Association of Governments regarding association's position on possible CCS leasing offshore southern California. (BLM participated.)
- December 20, 1974 - Meeting of Council of Local Governments Concerned with CCS, in Los Angeles City Hall, Mayor Bradley host, regarding possible CCS leasing offshore southern California. (BLM participated, meeting open to public.)

- January 9, 1975 - Meeting of Council of Local Governments Concerned with OCS (same subject and same participants as December 20 meeting).
- January 10, 1975 - Meeting of State of California agencies in Sacramento, California (Air Resources Board, Fish and Game, Navigation and Ocean Development, Water Resources, State Lands Division, Coastal Zone Conservation Commission, San Francisco Water Resources Control Board, Parks and Recreation, Department of Conservation, Resources Agency) regarding Bureau of Land Management southern California OCS environmental baseline study proposal. (BLM participated, meeting open to public.)
- January 15, 1975 - Meeting with representatives of Southern California Coalition, in Washington, D.C., to coordinate testimony at public hearings on OCS programmatic DEIS. Interior represented by Dr. Gaskins, Director, Office of OCS Program Coordination.
- January 16 and 17, 1975 - Meeting of OCS Research Management Advisory Board, in Washington, D.C., regarding OCS environmental studies and study plans. State of California represented and plans for southern California OCS environmental baseline study proposal discussed. (Open to public.)
- January 23, 1975 - Speech by Secretary Morton to Los Angeles Chamber of Commerce on proposed accelerated OCS leasing program, including possible leasing offshore southern California. (Open to public.)
- January 23, 1975 - Secretary Morton press conferences, Los Angeles Times Editorial Board. Same subject as January 23 speech.
- January 23, 1975 - Meeting of Assistant Secretary Hughes with California State and local officials regarding same subject as Secretary's speech of January 23.
- January 27, 1975 - Meeting of Council of Local Governments concerned with OCS leasing offshore southern California. (BLM participated, meeting open to public.)

- January 31, 1975 - Meeting of Council of Local Governments Concerned with OCS, in Los Angeles City Hall, regarding same subject and same participants as January 27 meeting.
- February 3 and 4, 1975 - Public hearings on OCS programmatic DEIS, in Anchorage, Alaska.
- February 6, 7, and 8, 1975 - Public hearings on OCS programmatic DEIS, in Beverly Hills, California.
- February 11, 12, 13, and 14, 1975 - Public hearings on OCS programmatic DEIS, in Trenton, New Jersey.
- February 15, 1975 - Public forum, Association of Monterey Bay Area Governments, in Monterey Bay, regarding possible OCS leasing offshore southern California. (BLM participated, meeting open to public.)
- February 21, 1975 - Announcement of publication and availability of site-specific DEIS for a proposed 1975 OCS oil and gas lease sale of lands offshore southern California. (40 F.R. 7692; DOI News Release)
- February 21, 1975 - Publication of proposed regulations limiting joint bidding for OCS oil and gas leases, and request for comments from the public. (40 F.R. 7673-7676; DOI News Release)
- February 27, 1975 - Meeting, Southern California Association of Governments, workshop on possible OCS leasing and related matters. Dr. Gaskins was a panel member. (Open to public.)
- March 12, 1975 - Interior briefing of FFA, in San Francisco, regarding proposed OCS lease sale offshore southern California. (Briefing conducted by Mike Carter, Pacific OCS Office.)
- March 18, 1975 - Copies of proposed southern California environmental baseline study plan submitted to State agencies for comment. (BLM plan)

- March 20 and 21, 1975 - Conference in Los Angeles, California, on offshore oil sponsored by the American Enterprise Institute. Attended by Assistant Secretary Royston Hughes, Darius Gaskins, Director of OCS Coordination and William Grant.
- March 21-29, 1975 - Contract negotiation for bird and mammal baseline environmental study - University of California at Santa Cruz.
- March 27, 1975 - Meeting of the Southern California Council of Local Governments, Los Angeles City Hall, concerning potential offshore oil and gas leasing.
- March 31-April 1, 1975 - Briefing for Congressman Sidney Yates and field trip to Santa Barbara, California, conducted by William Grant.
- April 1, 1975 - Bird and mammal environmental baseline study contract awarded by BLM to University of California at Santa Cruz.
- April 8, 1975 - Conference sponsored by Mayor Thomas Bradley of Los Angeles on policy for offshore hearing. William Grant attended.
- April 15, 1975 - Speech by William Grant to the American Society for Oceanography at the Los Angeles Museum of Natural History regarding potential OCS leasing offshore southern California.
- April 17 and 18, 1975 - Meeting of OCS Research Management Advisory Board in Washington, D.C. Among the items on the agenda for the meeting was southern California OCS benchmark (baseline) data plan.
- April 21, 1975 - Meeting of William Grant and Mayor Joseph Barnett and others concerning the position of the Southern California Council of Local Governments on potential offshore oil and gas leasing.
- April 22, 1975 - Speech by Mike Carter of the Pacific OCS Office, BLM, before Long Beach Chamber of Commerce regarding potential OCS leasing offshore southern California.
- April 22, 1975 - Meeting in Mayor Bradley's office with the Southern California Council of Local Governments.

- April 23, 1975 - Speech by William Grant to the American Association of Petroleum Geologists at the Queen Mary regarding potential OCS leasing offshore southern California.
- April 24, 1975 - Speech by William Grant to the Petroleum Accountants' Society at the Los Angeles Petroleum Club regarding potential leasing offshore southern California.
- May 6, 7, and 8, 1975 - Public hearings on site-specific DEIS for a proposed 1975 OCS lease sale of lands offshore southern California.
- May 10, 1975 - Speech by Mike Carter to Southern California Academy of Science at the University of Southern California regarding potential OCS leasing offshore southern California.
- May 14, 1975 - Speech by William Grant to Teach-In Day at UCLA.
- May 14, 1975 - Address by William Grant to the California Coastal Zone Commission regarding that commission's preliminary coastal plan and proposed OCS oil and gas leasing offshore southern California and Interior's plans to coordinate with the Coastal Zone Commission.
- May 20, 1975 - Speech by William Grant to class on Ocean Management at UCLA regarding potential offshore oil and gas leasing.
- May 30, 1975 - Meeting of representatives of the California Resources Agency and Interior officials in Washington, D.C., concerning state access to geophysical and geological data for southern California area. Representatives of the Geological Survey, the Assistant Secretary - Program Development and Budget, and the Solicitor attended.
- June 3, 1975 - Meeting of representatives of the California State Resources Agency and Geological Survey officials at Menlo Park, California, concerning state access to geophysical and geological data for offshore southern California area.

- June 10, 1975 - Meeting of California State representatives with Assistant Secretary Royston Hughes concerning potential OCS leasing offshore southern California.
- June 10, 1975 - Meeting of representatives of California State Resources Agency and Geological Survey officials in Menlo Park, California, concerning same subject as June 3 meeting.
- June 13, 1975 - Speech by William Grant to Presbyterian Church group in Newport Beach concerning OCS minerals management.
- June 26, 1975 - Speech by William Grant to the Marine Technology Society in San Diego regarding potential offshore leasing southern California area.
- July 1, 1975 - State Energy Commission meeting on its proposed socioeconomic impact study of potential offshore oil and gas leasing in the southern California area. William Grant attended.
- July 2, 1975 - Meeting of former Secretary Hathaway, Assistant Secretary Royston Hughes, and J. Anthony Klein, legal advisor to Governor Brown, concerning potential OCS leasing offshore southern California.
- July 24 and 25, 1975 - Meeting of OCS Research Management Advisory Board in Washington, D.C. Among the items on the agenda for the meeting were potential leasing offshore southern California, State of California representatives in attendance.
- July 24, 1975 - Meeting of Southern California Council of Local Governments led by Mayor Bradley concerning potential leasing offshore southern California. William Grant in attendance.
- August 6, 1975 - Meeting of California Energy Commission concerning proposed socioeconomic impact study referred to above. Attended by William Grant.
- August 12, 1975 - Meeting of Assistant Secretary Royston Hughes and Governor Brown of California and Anthony Klein, legal advisor to Governor Brown, in Sacramento, California.

August 26, 1975

- Meeting of representatives of the California Resources Agency within Interior officials in Washington, D.C., concerning access to geo-physical and geological data. Representatives of the Geological Survey, the Assistant Secretary - Program Development and Budget, and the Solicitor attended.

September 16, 1975

- Meeting of Mr. Quinn, representative of Governor Brown of California; Assistant Secretary Royston Hughes; and Frank Zarb, Administrator, Federal Energy Administration, concerning potential OCS leasing offshore southern California.

September 30, 1975

- Meeting of Assistant Secretary Royston C. Hughes with Mayor Bradley, Los Angeles, City Attorney Pines, Los Angeles, representatives of Governor Brown of California, members of the City Council of Los Angeles, and representatives of local governments in the southern California area for the purpose of consulting said officials prior to any decision by the Secretary of the Interior as to a southern California OCS oil and gas lease sale.

2488

OFFICE OF
CITY ATTORNEY
CITY HALL EAST
LOS ANGELES, CALIFORNIA 90012



September 9, 1975

AJR MAIL SPECIAL DELIVERY

Honorable Kent Frizzell
Acting Secretary of the Interior
U.S. Department of the Interior
Washington, D.C. 20005

Re: Proposed Outer Continental Shelf
Oil and Gas Leasing

Dear Mr. Secretary:

Enclosed please find comments on the final programmatic environmental impact statement for accelerated offshore oil and gas leasing nationwide prepared by the Scientific Advisory Committee to the Southern California Council of Local Governments. We wish once again to state for the record that we believe that the amendments and revisions to the final programmatic E.I.S. are so substantial to warrant recirculation in draft form and that even with the recent revisions, the document remains inadequate as outlined in a letter to you on August 22, 1975 from Mayor Tom Bradley and City Attorney Burt Pines.

Very truly yours,

BURT PINES, City Attorney

By *John E. Mc Dermott*
JOHN E. MC DERMOTT
Deputy City Attorney

JEM:lp

Enclosures

Telephone: (213) 485-6398

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COMMENTS OF ROBERT L. KOWACH
REGARDING FINAL PROGRAMMATIC E.I.S. ON
EXPANDED OFFSHORE OIL AND GAS DEVELOPMENT

The final E.I.S. is a significant expansion over the initial E.I.S. New sections have been added, presumably in response to earlier criticisms of the initial E.I.S. One main addition has been sect. C p. 61-100 Natural Phenomenon.... Impact Generating Potential.

This entire section appears to be new and covers the effects of storms, ice, earthquakes, tsunamis and unstable bottom conditions on different phases of oil development: exploration, production, storage and transportation. However, several comments can be made.

On page 63, it is pointed out that earthquake hazards to fixed platforms can probably be mitigated by proper design and careful placement... On page 67, it is stated that a new platform has been designed to withstand the maximum expected ground shaking in the Santa Barbara Channel. What value is this? and upon what data is it based on?

Page 66 - 4th line from bottom-- "in view of the intensity... (Richter 8.3) intensity and magnitude are not the same!

Page 67, line 7, "Destruction...when fortuitous conditions are present." The revised E.I.S. still completely ignores the possibility of soil amplification effects on earthquake induced shaking.

Page 68, line 2, "Extensive test borings..." This is an excellent addition to the E.I.S.

Page 74, section on pipelines. An honest statement of the problem.

The revised E.I.S. still does not discuss the fact that to obtain meaningful data on the seismicity and ground acceleration and amplification effects on CCS that ocean bottom seismometers and accelerometers must be installed to obtain 'ground truth' data. It is difficult to see from the statement in Table 113, footnotes 223--"provided e.g., resistant design features are used" and "provided careful soil analysis program is followed". How does one do this without data?

COMMENTS OF ROBERT L. NOVACH CONTINUED

Table 113 is indeed subjective. For example, it is not described why earthquake hazards on drilling platforms is rated a slight hazard. It is a circular argument to state that reasons are given in footnotes to Table 113 and find the comments stated in the previous paragraph.

Table 117 presents an evaluation of the relatively environmentally-induced oil spill hazards for each CCS area. The Southern California OCS is rated as moderately high susceptibility to earthquake damage. Yet the statement beginning on line 4, page 96 states "Similarly the moderately high seismicity of Southern California does not pose a serious hazard to platforms and pipelines." The effect on platforms is questionable in light of unknown soil amplification factors and in Table 113 one is told that earthquake-soil stability on pipelines is serious!

The above are some of the weaknesses which I noted upon a quick perusal. I restricted my review to earthquake effects.

August 23, 1975

2491

To: The City of Los Angeles
Mayor Tom Bradley and City Attorney Kurt Pines

From: Dr. James G. Threlkeld
Department of Biology
University of California
Los Angeles, California

At the request of the City of Los Angeles I have reviewed the Bureau of Land Management's Outer Continental Shelf Final Environmental Statement (FES 75-) with respect to southern California marine invertebrates. I was specifically asked 1) to compare the draft to the final, 2) to comment on the depth and significance of the changes, and 3) to evaluate the new materials.

General comments:

The alterations and improvements that have occurred between the DRS and the FES are few and inadequate. There is really so little difference between the two that all of the comments that I submitted concerning the DRS (see my evaluation dated January 24, 1975 to the City of Los Angeles) still hold for this document. Much of the material in the sections that I evaluated were taken verbatim from the DRS with no change. In fact, in many cases there has been a condensation of the DRS materials.

Consulting the available literature:

There still has not been an adequate survey and incorporation of the available literature. For instance, there is the assertion that the benthos of southern California has been relatively well studied by the Allan Hancock Foundation (1969) [v.I, p.337]. This is far from the truth. The cited report does describe, on the basis of one set of sampling techniques, the biota of one particular kind of habitat. To claim that it is representative of the multiple habitats within our complex marine ecosystem of southern California is like claiming that the culture of the peoples of Irian Island, Indonesia is representative of all of the cultures of mankind. One need only look at such references as Bernard (1963), Clark et al. (1967), Taper (1969), Lindebaum (1973), Merrill and Nelson (1970), Terevenat (1966, 1968), etc. (see the bibliography of my previous report for the citations) to discover the varied and complex habitats that exist throughout the southern California sector (and have been partly studied). To overlook these varied habitats and that many of the authors conclude about them strongly indicates to me that the FES has not been adequately prepared and that all of our prior knowledge (and analysis) regarding the southern California biota of local governments has fallen on deaf ears.

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Evaluation of Marine Communities (v.I, pp.319-337):

Aside from virtually ignoring whole benthic habitats, there has been no attention paid to the effects that oil developments might have on community structure. There is adequate general information available to make some assertions about the overall potential impact that the developments could have on the community organization of many habitats. This especially applies to our kelp beds and associated reef communities which are so biologically, aesthetically, and commercially important. Except for one brief section of less than one page (v.I, p.335), this whole habitat is ignored.

Southern California Borderland (v.I, pp.722-731):

This section on borderlands is grossly unbalanced. It delineates, not the major fish and wildlife resources as it purports to do, but rather briefly describes some of the economically important fishes and invertebrates (none by name), the birds as a group, sea turtles, marine mammals, and kelp as a resource. It totally ignores most of the marine community members (especially invertebrates) which are also obviously 'wildlife'. These members include at least the dominant benthic and pelagic invertebrates and the kelp forests. All of these are valuable borderland resources as least as much as the whales and birds. Furthermore, the section does not indicate the fragile and endangered nature of some of these ignored organisms (such as the purple coral Alcyonium or the anemone Paracaulis). This whole section aims itself only at the economically important or aesthetically visible flora, but avoids the whole supporting "understructure".

Environmental Impact Data (v.II, section III, pp.1-249):

Much of this section is new and is a major improvement. However, I would strongly dispute one of the conclusions (v.II, p.106) concerning the Santa Barbara Oil Spill. In fact, the conclusion that the "perceptions of the Santa Barbara oil spill as a catastrophe which permanently destroyed or altered environmental conditions of the area are not factually valid" is inconsistent with the data presented just above it. There are two contradictory reports cited: The first, by Straughan (1971), concludes "that the number of marine organisms appeared to be roughly comparable to pre-spill populations and concluded that the spill's effect on marine life was negligible" (v.II, p.103). The second, by Foster (1974), concludes that "The continued presence of oil from the initial spill..... suggest that the Channel has not recovered" (v.II, p.107). And yet from these two statements the "NE" concludes there is no impact! This is a kind of a 'bridge wash.' My conclusion is that it may or may not have an effect and that in fact

cannot say one way or another at this time.

The major point that I believe should be made from the Santa Barbara oil spill presentation (v. II, pp. 136-150) is that baseline studies should be accomplished well before any oil activity is undertaken and that it be continuous (before, during and after any oil operations) so that should such apparent catastrophic effects occur then data will be available so that an objective evaluation can be made one way or the other. [I would refer the reader to my own evaluation of community organization presented in my January 24, 1975 report].

Generic Impacts (v. II, pp. 136-150):

1. On v. II, p. 140 a specific point is made about comparing different climatic regions that "as a generalization, biological systems have a higher turnover in warm regions [than in cold regions]". While this statement may be true from a statistical point of view including all populations within an ecosystem, it definitely is not true for all of the populations within any given ecosystem. There are both low and high turnover populations in each kind of region and it is only 'on the average' that this statement can be made. An important case in point are corals of the tropics. These organisms are perhaps the most important taxon within the tropical reef community and most of the ecologically dominant forms are very long lived and have a low turnover. Furthermore, organisms with the greatest numbers or biomass need not be the most important [see for example Pacer (1966), Dayton (1971)]. Thus a simple evaluation of numbers without including other considerations may be ecologically meaningless (for example as the report of Strauphan (1971) may be). Therefore it is more important to examine the ecologically dominant and important members of the community than it is the "averages" and numbers of individuals. [clearly largest numbers and ecological dominance may be one and the same in some communities].

2. On p. 142 the FRS states that "the generally accepted inability to quantify the effects of large oil spills...makes the prediction of environmental impacts that will result from the accelerated leasing proposal an extremely difficult task" and further "it is important to point out that prediction of effects at the community, or even population, level is nearly impossible with our current knowledge." It seems to me that both of these statements argue for a delay in the leasing rather than an acceleration. I would suggest that consulting firms and agencies start immediately on the baseline studies and studies of acute and chronic effects of oil on controlled communities.

3. While the IFS does deal with potential effects of chronic low level pollution (v.II, pp. 142-144), it discusses these effects only in terms of the indirect signs of measurements such as population size, age distributions, and birth, death and migration rates. These are their "principal measures". While these results are interesting and meaningful, it is my contention (as I have suggested previously) that attention to the biology of the organism itself (i.e. its physiological characteristics and behavior) would give perhaps more direct and meaningful (and obviously quicker) results on chronic and ecological effects. In short the IFS has been woefully negligent in discussing exactly what is incorporated into their umbrella term 'sublethal effects'. From the little that is there would conclude that it is largely indirect in its approach.

Unavoidable Adverse Environmental Effects (v.II, pp. 262-266):

One feature that is important but has been ignored in this section is the problem of areas of special biological significance and isolated communities (such as restricted subtidal rock outcrops). Before leases are permitted a more thorough literature and, if necessary, field survey should be carried out in order to identify areas that are restricted in their distribution and are ecologically distinct (so that they ultimately can be protected). In this regard field surveys may be particularly necessary on the deep rocky outcrops which have faunistically been less poorly evaluated. On the other hand regions of large areal extent and possessing similar communities should also be identified. Thus drilling could possibly be permitted in these large regions with less chance of drastic ecological damage than in these other restricted areas. In other words: subtidal 'island-like' regions should be taken into consideration prior to the actual leasing.

The Major Weakness of the IFS

In my opinion the major weakness of the IFS is its lack of attention to a basic knowledge of the marine ecosystems. The IFS does not seem cognizant of the need for major baseline survey work on these marine communities so that the effects of potential oil operations could then be carefully monitored to determine their impact (and be used for future control).

Respectfully submitted:

James D. Morin
Associate Professor of Biology

Comments on the Sections on Air Quality Addressed in
the Final EIS for Offshore Oil Drilling

Prepared by: Alan C. Lloyd

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Residence: 235 Campus View
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August 27, 1973

My comments will address the adequacy of the discussions of the impact on air quality resulting from pollutant emissions associated with offshore oil drilling: differences between the final and draft EIS will be specifically addressed.

Some significant additions have been made in the final EIS compared with the draft version. However, many areas are still not addressed in the depth and quantitative nature required for one to obtain a clear idea of the true impact on air quality in the South Coast Air Basin of California (SCAB).

Specific comments are made below and are broken down in the various sections as given in the final EIS.

Comments on "Impact on Air Quality"--page 217

One of the major omissions remaining in this section is the impact on air quality of the large amounts of hydrocarbon emissions which will probably result from transfer of oil, e.g., filling tankers. Currently, in the South Coast Air Basin, plans have been implemented to eliminate the significant evaporative hydrocarbon emissions from gas station filling activities. This approach should also be addressed when dealing with offshore oil drilling and some calculations performed on the emissions contributed from this source. Should the oil not be transported by a tanker, then presumably there will be an increase in refining capacity at the oil refineries along the coast of the SCAB with the concomitant increase in emissions.

In the section discussing wild fires from the burning of natural gas, it is not clear, as suggested in the EIS, that (1) combustion would be essentially complete and (2) there will be no nitrogen oxides emitted, but that the nitrogen would remain as N_2 . While it is likely that the nitrogen oxides emitted would be minimal, the probable emissions of CO and SO_2 would adversely affect air quality.

In dealing with the effect of increased refining capacity, the treatment in the final EIS remains qualitative. For example, some estimates of increase in refinery capacity could and probably should be made: for example, one could estimate increases of 10, 20, 30% and calculate the likely increase in emissions with the consequent degradation in air quality.

Comments on Section C "Deterioration of Air Quality"--page 267

In this section also, no mention is made of tanker filling operations, transfer of oil operations, or increased refinery capacity and operations.

The statement that "If a natural gas leak or gas well blowout should occur, pollution would be mostly from methane which quickly disperses and drifts away" is somewhat misleading. It is true that the worldwide background of methane is about 1.4 ppm and it also true that it reacts slowly in the atmosphere. But the fact is that it does react and a substantial increase in emissions could produce increased photochemical oxidant far downwind when the air parcel has traveled over a large distance and has had time to react with nitrogen oxides and sunlight.

approach should also be addressed when dealing with offshore oil drilling. In discussing the effect on pollutants emitted from oil burning, it would be desirable to give some quantitative estimate of the effect on air quality.

Comments on Section 2 "Air Quality"--page 652

It appears that some attempt has been made in this section to address the problems in California outside the South Coast Air Basin, e.g., San Francisco Bay Area and the San Diego area. Unfortunately, the area dealing with the SCAB has not been adequately addressed: this is the area currently afflicted by the highest pollutant levels.

The lack of specificity in the report is illustrated by the fact that, while the background levels of pollutants are given and compared with the air quality standards, practically no quantitative data are given for the current air quality in various areas of the SCAB, e.g., coastal areas, Pasadena, Azusa, and Upland - which are at the base of the mountains, and other inland areas such as San Bernardino and Riverside. No current data are given for the number of days exceeding the standards or of the likely impact of hydrocarbon emissions produced from offshore oil drilling. No air parcel trajectory studies are presented which show the receptor sites for any additional hydrocarbon emissions. Such calculations are now becoming routine in EIS preparations.

The statement "With the absence of major urban developments along the coast of California and the physical features of the land, the chances for problems resulting from offshore oil and gas operations remains small", should be strongly qualified and is simply incorrect for air quality in southern California.

In summary, while some changes have been made in the discussions of the impact on air quality resulting from offshore oil drilling operations, the report on air quality is still of a very qualitative nature and sufficient attention has not been given to obtaining a quantitative estimate of the effects on air quality in regions such as the South Coast Air Basin, which are currently plagued by photochemical smog. For example, some idea of the possible percentage increase in hydrocarbon emissions, which is one of the key precursors to photochemical oxidant, should be given.

The treatment, overall, still remains superficial and it is impossible for one to truly evaluate the impact on air quality of offshore oil drilling operations from the data presented in this EIS.

Analysis of Final Environmental Statement FES 75

"Proposed increase in oil and gas leasing
on the outer continental shelf."

These comments are made in light of a report previously submitted in regard to Draft Environmental Statement DES-74-90.

This FES is in effect a summary or synopsis of the original DES. Very little change in content or format has occurred. Despite this, a few comments can be made.

1) DES-74-90 (p. 431) emphasized that the "importance (of phytoplankton) cannot be overestimated." I would have expected this all important emphasis to have remained in the FES. It has not.

2) In critiquing DES-74-90 I commented on the minimal references to the kelp industry. While more litrage has been added in FES 75, there is still a failure to look to the future, and the future impact, on the kelp and potential algal industries. This is important. Considerable State and Federal money is being spent to expand the kelp beds and to consider other possible uses of algae. These matters, especially future projections, are subjects that should be considered, but which these BIM environmental statements consistently ignore.

There is still the implication that the BIM is using previously drilled and explored areas (e.g. Gulf of Mexico) as analogues for impacts elsewhere. The folly of this has been repeatedly emphasized in previous critiques. In FES 75 (p. 8) they state "impacts....are thus unidentifiable among areas except for the species of biota being affected." This is an over-simplification. We simply don't know what might happen in a major spill in offshore southern California, (Santa Barbara not withstanding). The failure of these statements, including this FES, to take account of this general problem, is serious. I wonder if this is not deliberate in this FES.

This FES has retained the tendency of its parents ES to gloss over potential problems. In p. 20, referring to formation waters and lack of oxygen, FES states "the size of this impact will be small." Yet, two sentences later, FES states that lack of knowledge "precludes quantification of the environmental impacts." Quantification of an impact is most important. All of these environmental statements emphasize the qualitative. The quantitative is equally, if not more, important. To quantify, however, baseline information is needed. I emphasize again, as in previous analyses of DES-74-90, that a serious omission and weakness of these statements, including FES, is the failure to consider the essential need for baseline information. It is very difficult, if not impossible, to intelligently monitor impacts if one doesn't know completely what's there originally, both qualitatively and quantitatively.

The problem of inconsistency still remains. On p. 35, the Santa Barbara spill was estimated at 10,000 barrels (up to a maximum of 700,000 barrels). On page 97, FES talks in terms of oil spill volumes per event of up to 2,000,000 barrels. The Santa Barbara oil spill is too frequently used as an example of impact potentials in Southern California. I would be a lot happier if there were no Santa Barbara spill, and that this in turn creates a very serious " caveat" in using this spill for future predictions.

I feel this FES still has a tendency to slant their statements. In pgs. 105-108, they discuss the disagreement among scientists about the effect of the Santa Barbara spill. Yet, at the end of this discussion (2, 108) they flatly state that "the massive Santa Barbara oil spill apparently has not resulted in major long term impacts..."

This is almost a distortion to favor a position of advocacy. As I have commented in previous analyses, ES should not take a position of advocacy.

In my original critique of DES-74-90 and, subsequently, of DES-75-8, I emphasized what I considered were major weaknesses and shortcomings of the Environmental Statements. These involved such matters as

- 1) Interpretation of Data. Equating "lack of evidence" to paucity of results.
- 2) The whole problem of the size of, and impact of, the Santa Barbara spill.
- 3) The lack of baseline information, and the need for this so that impacts can be monitored.
- 4) various omissions.
- 5) A failure to consider economic consequences, and to look to the future in considering impacts.
- 6) A distinct tendency of advocacy in the ES.

I do not consider that FES 75 has remedied any of these deficiencies.

It is, with a few minor modifications and improvements, just a summary of DES-74-90, and thus remains only marginally acceptable; perhaps less so considering it is a final Environmental Statement.

Evaluative Commentary on the
Final Environmental Statement,
Proposed Increase in Oil and Gas
Leasing on the Outer Continental Shelf,
BLM, USDI

by

Dr. Richard L. Perrine

This commentary addresses three specific questions related to the Final Environmental Statement:

- 1) which portions of the Statement, if any, have been so substantially amended as to require further public review and comment;
- 2) what subject matter still is not adequately covered, if any; and,
- 3) if the revised Final Statement were available with appropriate changes made, what questions of importance could be addressed within tract-specific impact statements which at present either cannot be addressed, or only considered with much greater difficulty and uncertainty?

Content Requiring Further Public Review

A very substantial revision has been made of the "Environmental Impact of the Proposed Action." This material is contained in pages 1 through 249 of Volume 2. Items of particular importance in this respect are the material on the probability of spills (page 56 and following), refinery expansion and siting needs (pages 196-198), and the risk summary and cumulative impacts (pages 231-249). Much of the content implies assumptions, and methods of analysis and statistical interpretation, which are not well established in our body of experience and may or may not be appropriate to

the case in point. While undoubtedly addition of this subject matter can be considered an improvement over the original, it is at the heart of an environmental statement and so merits full public review.

Another portion of the Statement in which very substantial changes has been made is "Alternatives to the Proposed Action" (pages 293-366). Choice from among these expanded alternatives may constitute formation of a national energy policy. Certainly decisions of such importance merit full public disclosure and review. And the contents of this section, again, imply many assumptions and a questionable data base on which not all would agree.

Material Not Adequately Covered

The inclusions on air quality, pages 652-658 of Volume 1 and at page 217 of Volume 2, still provide a far less than adequate consideration of the subject. There is no excuse for the neglect shown here.

Another topic given too brief and inadequate consideration is the resource limitations (Volume 2, pages 279 and following). Financial resources are recognized, but shortages of qualified men, and materials, may prove even more limiting and the more likely cause of serious adverse environmental consequences.

Relationship of Tract-Specific EIS to this EIS

Many of the most important concerns regarding the tract-specific EIS for the Southern California region are directly and closely coupled to elements of the present EIS. Specific topics of major concern include the problems of refinery and other processing unit needs, their siting, and the potential problems which can arise (as Volume 2, pages 196-198). Also included are the methods of risk analysis and the risk summary (Volume 2

pages 231 and following), and the cumulative impacts (Volume 2 page 243 and following).

A section of critical importance is that on the irreversible commitment of resources (Volume 2, pages 279-282). This content must be treated properly before tract-specific EISs will have value, and the content of the present Statement provides an essential background from which to start any such review.

Another section where the relationship between a tract-specific EIS and the present EIS is critical is in consideration of alternatives (Volume 2, pages 279-282). Because not all forms of energy are readily transported, some regions have a different range of possible choices than others. But competition for the residual "mobile" energy could prove disastrous, with very adverse environmental consequences, if this is not properly thought through from the start. Thus, this portion of the present document must be complete, adequate in quality, and available before intelligent consideration of some tract-specific documents can begin.
 ~~... and ...~~ shortages of qualified men, and materials, etc.

Evaluation of portions of Final Environmental Statement
(No. FES 75-) prepared by the Bureau of Land Management,
U.S. Department of the Interior, entitled "Proposed increase in
oil and gas leasing on the Outer Continental Shelf". Portions
evaluated relate to living marine animals, with some emphasis
on affected areas off southern California.

by

Malcolm S. Gordon

Professor of Biology and Director, Institute of Evolutionary
and Environmental Biology, University of California,
Los Angeles

This statement represents my professional and scientific
evaluation of those parts of the subject FES relating to living
marine animals. It is based upon three primary sets of in-
formation: 1) Detailed reading of the following sections in the
FES: IIA-3d; IIB-3b; IIC-6,7; IID; IIIA; IIIB-2a,b,c,d; IIID;
IIIF; IIIG-4; IIH; III I; VA; VE; VI; and VIIC; 2) My earlier
analysis of the preceding programmatic Draft Environmental
Statement (DES 74-90); and 3) My earlier analysis of the southern
California site-specific Draft Environmental Statement (DES 75- 8)

The subject FES has clearly profited significantly from
the various comments received during the earlier reviews of
the DES. However, it has not profited enough. At least with
respect to marine animals it remains generally accurate as far
as it goes, but it does not go nearly far enough in many im-
portant respects. The great majority of the comments made in
the author's analysis of the DES continue to apply to the DES

The FES is inadequate with respect to biology. The following comments will highlight some of the major points.

The primary emphasis in the sections of the FES reviewed is upon the direct, short-term effects upon living marine animals of exposures to substantial oil spills within short time periods. A variety of other, biologically important aspects of OCS oil and gas development are mentioned and discussed relatively briefly, but more or less adequately. There are still other aspects, however, which are either discussed totally inadequately, or are not mentioned at all.

Possible effects of heavy metals other than chromium, particularly with respect to long term, low level chronic exposures, are virtually ignored. Biological magnification of concentrations of these metals, large amounts of which are described as being likely to be added to the sea via discharges of formation water brines and during dredging and pipeline laying operations, is not discussed in any of several relevant contexts (e.g. direct non-lethal physiological/behavioral effects on animals; ^{possible lethal effects on higher level predators;} possible human effects relating to higher level predators involved in commercial and sport fisheries).

Possible large-scale, long term effects of discharges of large volumes of highly saline, therefore very dense, formation water brines are not discussed. According to section IIIB-2b, mineral contents of these brines can range from about 3-9 times that of normal sea water. These are mineral contents (salinities) more than adequate to be lethal in short time periods to

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virtually every animal coming into contact with them. Calculations made by Professor J. Enright of the Scripps Institution of Oceanography, on the basis of figures given for the southern California OCS program in the site-specific DRS for southern California, indicated a high probability of literally thousands of square kilometers of sea bottom off southern California being covered for long time periods by relatively undiluted layers of these waters, layers that could be a meter or more thick. Comparable events could happen in other frontier regions as well. The subject belongs in the FES.

A significant fraction of the OCS drilling in several areas including southern California, is indicated as likely to take place in water depths of 200-2500 meters. There is no discussion in the FES of possible impacts upon either mesopelagic organisms living in mid-water at these depths (very different organisms and communities from the pelagic and shallow water benthic organisms considered in most sections), or upon deep-sea benthic organisms. There is no discussion of possible effects of blow-outs at great depths--events which would add hydrocarbons (via both solution and emulsification) and heavy metals to deep water masses repeatedly referred to in the FES as less likely to be impacted than are surface water masses.

There is no discussion of possible effects on both marine animals and humans eating marine animals of the solution into the sea of the lighter, more volatile fractions of hydrocarbons released in spills. A number of these lower molecular weight

substances are known carcinogens or mutagens. They are probably subject to accumulation and biological magnification phenomena similar to those known to occur with heavy metals such as mercury and lead.

There is no detailed discussion of possible impacts of OCS oil and gas development on oceanic food webs and biological communities. Most of the discussion relates to particular kinds or groups of kinds of animals (e.g. species important in fisheries; endangered species), with some discussion of populations. There is no general consideration of possible impacts on the spatial and temporal dynamics of the higher organizational levels of oceanic faunas.

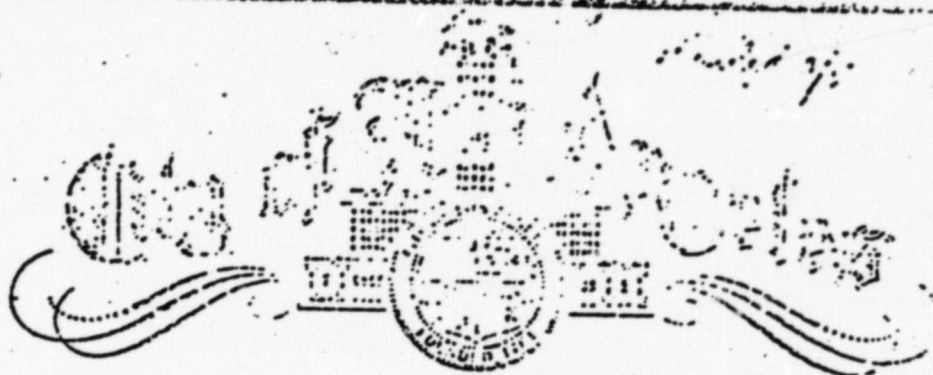
To summarize: There are at least five major ways in which the subject FES is either or both inadequate or deficient from the standpoint of biology. The FES is better, in biological terms, than was its preceding DES, at least in several respects. It remains, however, incomplete and scientifically unacceptable as an assessment of even the major impacts of OCS oil and gas development.

Addendum

In addition to the preceding comments on the adequacy of the FES, it seems worthwhile to remark upon the new biological material added since the earlier review of the DES.

The new sections are: IIC-6,7; IID; IIL; IIIG-4; IIH and III-I. These sections are, as was noted earlier, an improvement over the DES. They are inadequate, however, in the respects listed above. This lack of adequacy in these new sections seems to me to justify an additional request for further public comment on these sections.

at least in several re-



CITY HALL
LOS ANGELES 90012
485-3311

OFFICE OF THE MAYOR

August 22, 1975

TOM BRADLEY
MAYOR

Honorable Kent Frizzell
Acting Secretary of the Interior
U. S. Department of the Interior
Washington, D. C. 20005

Re: Proposed Outer-Continental
Shelf Oil and Gas Leasing

Dear Mr. Secretary:

On July 11, 1975 your Department released a final programmatic EIS on accelerated nationwide offshore oil and gas leasing in 1975. An accompanying press release indicates that public agencies and interested members of the general public would have an opportunity during the 60-day period after release of the document to make further comments.

The final program EIS contains several provisions, the most significant of which are the following:

1. The rationale, goals and objectives of the proposal have been substantially altered in that six offshore areas will be leased in 1975 instead of the originally proposed ten million acres, with a newly announced strategy of leasing as early as possible those areas with the richest and most accessible potential oil and gas reserves, regardless of environmental consequences.
2. 172 pages of new information have been added on the environmental impacts of the proposed lease sale (more than double the information provided in the draft EIS), including critical estimates of the likelihood of oil spills reaching shore.

3. Estimates of expected oil spillage as a result of accelerated leasing have been revised upward from the 8,500 barrels reported in the draft EIS to 215,000 barrels in the final EIS, a twenty-three fold increase in the magnitude of anticipated oil spillage.
4. Also added to the revised EIS is an entirely new 82-page description of the nation's offshore environmental resources, essential information for making meaningful public comment on the expanded OCS leasing proposal.
5. The discussion in the draft EIS about energy alternatives to OCS leasing and about potential mitigation measures has been completely revised.
6. The final EIS also includes over 1,000 pages of public comments on the draft program EIS and responses thereto by your office.

These revisions are substantial and require recirculation of the document in draft form for public comment in order to satisfy the EIS public participation requirements of NEPA. As we have explained to your Department on several occasions, we do not believe that the waiting period following the release of a final program EIS is designed for the purpose of receiving public comment for, by definition, once a document becomes final, public comments received thereafter will not receive the full, good faith consideration required by NEPA and be included in the final document and responded to therein. We call upon you once again to reconsider your headlong rush toward offshore leasing and to recirculate the revised program EIS as we believe the law requires.

Additionally, we note that many of the glaring deficiencies of the draft EIS, which we have described in great detail in written comments, have not been cured in the final EIS. These deficiencies include:

1. The lack of data on both the nation's offshore environmental resources and the environmental impacts of offshore oil and gas development on those resources.

Honorable Earl Frizzell

Page 3

2. The EIS does not include critical geological and geophysical data in the possession of the U.S. Geologic Survey from which the hazards of drilling could more fairly be known.
3. The document does not discuss the relative environmental impacts of offshore oil and gas drilling in various geographic areas of the United States, so that a decision can be made as to which areas are most appropriate for development.
4. Degradation of air quality, especially from secondary impacts of the proposed project, is inadequately discussed.
5. Onshore land use impacts associated with offshore development are not fully analyzed.
6. The EIS fails to discuss unavoidable adverse economic and resource losses to state and local governments due to oil spills and the necessity to provide additional public services as a result of growth induced by offshore development.
7. Possible mitigation measures are not adequately treated.
8. Accelerated offshore development is not discussed in the context of a comprehensive national energy policy, demonstrating the need for such development.
9. The alternative of energy conservation is not adequately considered.

We once again urge you to redraft the revised program EIS in order to fully address these most important issues relating to offshore leasing.

Finally, we must again renew our objection to the timing of tract specific activities here in Southern California and elsewhere throughout the nation. We firmly believe that such activities may not legally be undertaken unless and until a final,

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Honorable Kent Frizzell

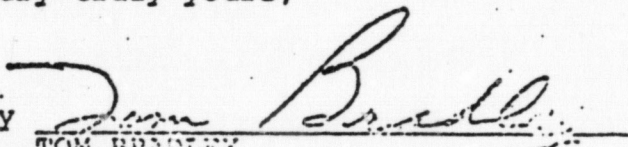
Page 4

legally adequate program EIS has been completed and a final decision has been made to go forward with a national leasing program.

We are writing this letter in a final effort to avoid costly litigation which neither you nor we desire. We do not seek delay for delay's sake, nor do we oppose offshore drilling per se. Rather, we are most concerned that the many significant questions we have raised regarding the proposed OCS program be fully addressed and hopefully intelligently answered before your Department moves ahead with any major acceleration of the OCS leasing program. We urge you to reconsider your current leasing schedule, cure the deficiencies that now exist in the final program EIS, recirculate it in draft form for public comment, and cease all tract specific activities until a final, legally adequate, program EIS has been completed and a decision has been made to go forward with the national leasing program.

Very truly yours,

By


TOM BRADLEY

Mayor of the City of Los Angeles

By


BURT PINESCity Attorney of the City of
Los Angeles

TB/BP:khh

Exhibit 13

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OFFICIAL

INT. SEC.
FOR DEPT.

JAN 20 1975
SOLICITOR'S
DOCKET

UNITED STATES DISTRICT COURT

1992
4331

HONORABLE DAVID W. WILLIAMS JUDGE PRESIDING

PEOPLE OF THE STATE OF CALIFORNIA
ex rel. EVELLE J. YOUNGER, ATTORNEY
GENERAL; and CALIFORNIA COSTAL ZONE
CONSERVATION COMMISSION,

Plaintiffs,

v.

ROGERS C. B. MORTON, in his official
capacity as SECRETARY OF THE DEPARTMENT
OF THE INTERIOR; CURTIS J. LERKUND,
DIRECTOR OF THE BUREAU OF LAND
MANAGEMENT; WILLIAM E. GRANT, MANAGER
PACIFIC OUTER CONTINENTAL SHELF OFFICE,
BUREAU OF LAND MANAGEMENT,

Defendants.

CIVIL NO. 74-2374-DWM

REPORTER'S PARTIAL TRANSCRIPT

PLACE: Los Angeles, California

DATE: Monday, January 6, 1975

CHRISTINE G. GLASSCO, CSR
Official Reporter
442-B U. S. Courthouse
312 North Spring Street
Los Angeles, California 90012
Telephone: (213) 625-3414

CHRISTINE GLASSCO Official Reporter

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1 LOS ANGELES, CALIFORNIA, MONDAY, JANUARY 6, 1975, 11:40 A.M.

2
3 THE COURT: All right.

4 I am prepared to rule at this time.

5 The Court values the arguments that have been put
6 before this Court, and I have followed your arguments with
7 some degree of interest, and I feel that I am prepared to deal
8 with the various points that have been raised.

9 First, I conclude that the People of the State of
10 California have standing to bring this action, and that there
11 is presently an Article III case or controversy that exists
12 in the sense that the People of the State of California should
13 not be compelled to wait until the very last minute before
14 they would be allowed to ask the Court to have a look at the
15 procedures that have been followed and the correctness of those
16 procedures.

17 I feel that the Court has no duty to allow Western
18 Oil and Gas Association to intervene, and that there is no
19 present basis for permitting the intervention of WOGA for the
20 reasons that I have indicated earlier in my statements to Mr.
21 Verleger. This is not to say that as this litigation proceeds
22 that there might not be a stronger showing possible, and it is
23 not to prevent WOGA from inviting itself in to file amicus
24 curiae briefs, but intervention at this time is denied.

25 I have heard the arguments of both sides on the

1 subject of summary judgment. I feel that there is no merit
2 to either motion for summary judgment. There are triable
3 issues. There should be additional discovery in this case,
4 and there should be an opportunity given the plaintiff to
5 attempt to strengthen the surmises that it now seems to find
6 in great abundance.

7 The last thing that I must deal with is whether there
8 is presently a basis for preliminary injunction. I feel that
9 there is not. The Federal Government, through the Department
10 of the Interior seems to be, at this point, going about the
11 things that NEPA calls for procedurally in preparing not only
12 a programmatic EIS, but also an EIS that would have to do with
13 the particular acreage that is involved here. At such time
14 in the future as the plaintiff would come upon more substantial
15 information that would cause it to renew its efforts for a
16 preliminary injunction, I think that this Court has the right
17 to and will reserve jurisdiction to monitor the conduct and
18 the procedures used by the Department of the Interior. But I
19 am not convinced at this point that the things that have been
20 done constitute irreversible action on its part, and I am not
21 convinced at this point that there is a basis for undoing any
22 of the things that the Secretary of the Interior has caused to
23 be done by his agency in attempting to comply with the
24 procedural requirements of NEPA.

25 In truth and in fact, it does appear that the

1 plaintiffs are attempting to prevent the formulation of an
2 EIS report. It would even appear that it is using its veiled
3 hope that no off-shore drilling will ever come about by urging
4 at this time that there are actions on the part of the
5 Secretary of the Interior that constitute misconduct. I
6 see no such action. I see every effort on his part to comply
7 with the law, and there is no basis now for a preliminary
8 injunction.

9 As I have indicated, the Court reserves jurisdiction
10 to again review this matter should the need arise.

11 We are in recess.

12 (Proceedings concluded.)
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

HONORABLE DAVID W. WILLIAMS, JUDGE PRESIDING

PEOPLE OF THE STATE OF CALIFORNIA ex rel,)
EVELLE J. YOUNGER, ATTORNEY GENERAL; and)
CALIFORNIA COASTAL ZONE CONSERVATION)
COMMISSION,)

Plaintiffs,)

v.)

Civil Number:
74-2374-DWM

ROGERS C. B. MORTON, in his official)
capacity as SECRETARY OF THE DEPARTMENT)
OF THE INTERIOR; CURTIS J. BERKLUND,)
DIRECTOR OF THE BUREAU OF LAND MANAGEMENT;)
WILLIAM E. GRANT, MANAGER PACIFIC OUTER)
CONTINENTAL SHELF OFFICE, BUREAU OF LAND)
MANAGEMENT,)

Defendants.)

C E R T I F I C A T E

I hereby certify that I am a duly appointed, qualified and
acting official reporter of the United States District Court for
the Central District of California.

I further certify that the foregoing is a true and correct
transcript of the requested portion of proceedings had in the
above-entitled cause on January 6, 1975, and that said transcript
is a true and correct transcription of my stenographic notes.

Dated at Los Angeles, California, this 9th day of January,
1975.

Official Reporter

CHARTERED BY THE STATE OF CALIFORNIA

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Exhibit 14

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FILED

NOV 17 1975

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
DEPT.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

PEOPLE OF THE STATE OF CALIFORNIA,
ex rel., EVELLE J. YOUNGER, ATTORNEY
GENERAL; and CALIFORNIA COASTAL ZONE
CONSERVATION COMMISSION,

Plaintiffs,

vs.

ROGERS C. B. MORTON, in his official
capacity as SECRETARY OF THE DEPARTMENT
OF THE INTERIOR; CURTIS J. BERGLUND,
DIRECTOR OF THE BUREAU OF LAND
MANAGEMENT; WILLIAM E. GRANT, MANAGER,
PACIFIC OUTER CONTINENTAL SHELF OFFICE,
BUREAU OF LAND MANAGEMENT,

Defendants.

No. CV 74-2374-DWC

MEMORANDUM
OPINION

The energy crunch in the United States which resulted from the slackening of Mid-East oil sources in 1973 caused a revival of attention to undersea petroleum deposits which had long been assumed to exist in respectable quantities. The Department of the Interior (DOI) recommended to the President of the United States that consideration be given to the stepping-up of plans to lease acreage in the Outer Continental Shelf (OCS) to private drillers.^{1/} Subsequently,

^{1/} The Secretary of the Interior has power to regulate such leases pursuant to Section 8 of the Outer Continental Shelf Act, 43 USC 1337.

-2-

1 President Nixon delivered his "Energy Message" to the nation
 2 on April 13, 1973, a portion of which dealt with OCS leasing.
 3 Later the President announced "Project Independence" which
 4 was designed to accelerate offshore leasing and exploration
 5 so as to hopefully meet America's energy needs by 1980.
 6 DOI hastened its feasibility studies in several offshore
 7 areas, including that off the coast of Southern California,
 8 and industry was invited to make nominations of fields which
 9 their experts felt would provide the greatest drilling
 10 potential. Alarmed by the spectre of another Santa Barbara
 11 blowout,^{2/} conservationist groups provided a chorus of protests
 12 to the resumption of any drilling to the Southern California
 13 offshore drilling. This lawsuit seeks to enjoin, or at
 14 least delay, the leasing of these offshore areas. In this
 15 action, the State Attorney General on behalf of the People
 16 of California and the Coastal Zone Conservation Commission
 17 seeks to frustrate the clear intention of the Secretary of
 18 the Interior to designate certain fields on the outer Conti-
 19 nental Shelf to lease for development. This Court has juris-
 20 diction to hear the controversy pursuant to 43 USC §1333(b).

21 Dwindling domestic sources of oil and gas pose
 22 definite threat to the American consumer and to industry.
 23 It is clearly in the national interest and in the interest
 24 of defense of the United States that our dependence on
 25 imported oil be minimized. Experts predict that on-shore
 26 drilling will not meet all our needs, and there is a great
 27

28 ^{2/} In 1969 a private oil production company sustained
 29 an accidental rupture of its lines while engaged in offshore
 30 drilling off the coast of Santa Barbara and millions of gallons
 31 of oil escaped into the water and converted upon shore into
 32 foul mass, killing an untold number of sea organisms, fish
 33 and birds and causing much property damage. Private citizens
 34 redoubled their efforts to convince authorities that there
 35 should be no further exploration or drilling off the coast.

-3-

1 groundswell of demand to allow and even assist private
2 industry discover the location and extent of submerged pool
3 of oil and to develop new techniques of safely delivering
4 this product to the surface. There is near-certainty that
5 oil exists in the outer Continental Shelf, but drillers
6 encounter at least the same problems that they encounter in
7 land drilling--where to drill and how much to expect?
8 Plaintiffs argue alternately that there is no certainty that
9 oil in rewarding quantities exist off the Southern California
10 shore, and even if it does, the DOI should first go elsewhere
11 to begin an exploration program which carries such a high
12 risk to the environment.

13 We start with knowledge that the Secretary of the
14 Interior's power to lease offshore acreage for development
15 is contingent upon close adherence to the provisions of the
16 National Environmental Policy Act (NEPA), 42 USC §4321 et seq.
17 Section 102 of the Act in pertinent part provides that

18 "... (2) all agencies of the Federal Government
19 shall-- * * (C) include in every recommendation
20 or report on proposals for legislation and other
21 major Federal actions significantly affecting the
22 quality of the human environment, a detailed
23 statement by the responsible official on--

- 24 (i) the environmental impact of the proposed action,
- 25 (ii) any adverse environmental effects which cannot
- 26 be avoided should the proposal be implemented,
- 27 (iii) alternatives to the proposed action,
- 28 (iv) the relationship between local short-term
- 29 uses of man's environment and the maintenance and enhancement
- 30 of long-term productivity, and
- 31 (v) any irreversible and irretrievable commitment
- 32 of resources which would be involved in the proposed action.

-4-

1 should it be implemented."

2 The detailed statement referred to in the Act is
3 known as an Environmental Impact Study (EIS) and it should
4 precede the effective commencement of any governmental pro-
5 ject which might adversely affect the environment. There is
6 no doubt that governmental action of offering lease
7 interests in California offshore lands (Lease 35) by DOI is
8 an act which poses grave danger to the environment. The very
9 existence of unattractive floating platforms to support
10 drilling activities is a menace to visual sensitivities.
11 Worse, the art of drilling, laying lines, and forcing the oil
12 and gas to surface is so unperfected that oil leaks are fre-
13 quent, and gigantic spills which might match or exceed the
14 Santa Barbara incident are ominously possible. This, then,
15 is a highly volatile political question of powerful competing
16 public policies--the need of energy versus environmental con-
17 cerns.

18 Plaintiffs do not attempt to argue that the United
19 States does not face an energy crisis. Rather, theirs is
20 an urging to use some other frontier for undersea experimen-
21 tation and to come to California's shores only when a fail-safe
22 process has emerged. This short-sightedness fails to take
23 into account the great developmental strides that have
24 brought to the oil industry practiced techniques in platform
25 drilling and improved methods of oil capture.

26 The Secretary of the Interior has set December
27 1975 as the date to begin definite negotiations with oil
28 companies for the leasing of tracts he has defined. The
29 identification of lease tracts has come after governmental
30 experts as well as oil company geologists and engineers have
31 sorted over available lands and made choices known. The
32 law mandates that the Secretary shall take no such action

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1 until his final EIS demonstrates that his agency has fully
2 considered the impact of the action on the environment,
3 possible alternatives, and irreversible or irretrievable
4 effects brought about by drilling.

5 The DOI follows certain established procedures in
6 the process of considering proposed OCS oil and gas lease
7 sales. After technical reports are made by the Bureau of
8 Land Management on a proposed leasing area, calls are made
9 to industry to nominate tracts. Requests are then made for
10 comments on the lease proposal from all interested groups,
11 including state and local governmental entities. Then
12 tentative tract selections are adopted and public announcement
13 of this is made.

14 A draft EIS is prepared for a potential sale and
15 public hearings are held to provide state and local government
16 agencies and the public to submit comments on the proposal
17 and the draft EIS. Then a final EIS is prepared and pub-
18 lished which includes and reflects the materials gathered at
19 public hearings. All of this precedes a final decision of
20 the Secretary to hold a sale. If the agency decides that a
21 lease sale shall be held, a notice is published in the
22 Federal Register identifying the tracts to be offered and
23 stating the lease terms. This procedure complies with the
24 demands of §102 of NEPA and was substantially followed in the
25 events that led to a decision to sell in Lease 35.

26 Two EIS's have been filed by the DOI--a Program
27 Report and a Site Specific Report, 8 volumes of over 6000
28 pages. These were compiled with the help of governmental
29 experts in several fields and an independent team of
30 designated by Massachusetts Institute of Technology. The
31 studies discuss offshore leasing in all possible areas
32 coastal waters of the United States, including the

-6-

1 Mexico, the Atlantic coast, the Gulf of Alaska as well as the
2 California coast. There is discussion of energy courses
3 alternative to offshore leasing including development of on-
4 shore oil and gas resources, oil shale, geothermal energy,
5 solar energy--and the alternative of no submerged drilling
6 at all. The Site Specific Report takes full recognition of
7 the 1969 Santa Barbara accident, but reports the measures
8 that are available to lessen the danger of a repetition of the
9 incident, including safety precautions and inspections which
10 would condition any permission to explore.

11 Prior to the completion of these reports the
12 agency notified the public and interested conservationist
13 groups of its studies and comments were invited. Public
14 hearings were held where full opportunity was given hostile
15 groups as well as state and local governmental entities (and
16 other federal agencies) to criticize the studies and present
17 adverse ideas. Having been presented with these opposing
18 views, the Secretary has made no modification of the depart-
19 ment's original plan, but indicates an intention to go forward
20 with Lease 35.

21 Plaintiffs contend that the DOI has failed to comply
22 with NEPA because, in plaintiff's view, that Act calls upon
23 defendants to prepare an impact study before the taking of
24 any step in the direction of final action. Plaintiffs would
25 compel the Secretary to prepare an EIS before recommending
26 lease acceleration to the President of the United States;
27 before identifying any part of the Southern California coast
28 as a possible target of exploration and before applying to
29 Congress for funds to finance a leasing program.

30 This Court must reject the argument that such a
31 step by step impact study is called for by NEPA, *Anderson v.*
32 *Rockfish E. Co. v. N.W.T.* ____ U.S. ____, 45 S. Ct. ____

1 45 L.Ed. 2d 191 (fn. 20) (1975). Such a requirement would
 2 in such a case as this, unduly fetter early investigative
 3 of DOI aimed only at testing possible feasibility of the pro-
 4 gram. This period is needed to collect the impressions of
 5 geologists and engineers as to the possible success of such
 6 project; to calculate the cost of a full blown program; to
 7 measure the responses that might be expected to come from
 8 potential lessees and to find what possible consequences off-
 9 shore drilling would have upon other governmental operations
 10 such as defense, the Coast Guard and private shipping.

11 This circuit has said of NEPA that:

12 "Neither §102(2)(B) nor (C) can be read as a
 13 requirement that complete information con-
 14 cerning the environmental impact of a project
 15 must be obtained before action may be taken.
 16 If we were to impose a requirement that an
 17 impact statement can never be prepared until
 18 all relevant environmental effects were
 19 known, it is doubtful that any project could
 20 ever be initiated."

21 Jicarilla Apache Tribe of Indians v. Morton,
 22 471 F.2d 1275, 1280 (9th Cir. 1973).

23 I conclude that DOI's recommendation to President
 24 Nixon to accelerate OCS's leasing and the President's directi-
 25 to do so; the DOI's publication of leasing schedules, and the
 26 making of appropriation requests and the inviting of nomina-
 27 tions of acreages from industry were necessary preliminary
 28 activities possibly leading to a lease sale but which did not
 29 have to be preceded by an impact study of the type required
 30 by §102. It was in appropriate compliance with that section
 31 for the Secretary to time the completion of a final statement
 32 so as just to precede his final decision whether there

-8-

1 be a sale.

2 Now that the Secretary has filed a §102 impact statement
3 following invited comment and public hearings, plaintiffs
4 would stay implementation of the final decision to lease
5 upon the ground that the EIS's were based upon inadequate data.
6 Plaintiff argues that the filed reports are founded upon
7 unknown factors and variables.

8 Plaintiffs expert witness contends that the program
9 EIS which assesses the accelerated leasing goal should, but
10 does not (a) formulate or discuss a leasing schedule according
11 to net benefit criteria or any reasonable criteria, or, (b)
12 discuss and describe reasonable alternative leasing schedule
13 according to any reasonable criteria. Plaintiffs argue that
14 in evaluating the commercial exploitation of any national
15 resource, it is necessary to consider the distribution of
16 costs and benefits as well as the total value. This is based
17 upon the principle that no locality should bear more of the
18 cost than accrues to it as a benefit. Plaintiff would compel
19 the design of a plan which would not allow one region to suffer
20 damage to its environment in a process which would allow
21 other regions to benefit from the captured natural resource.
22 They argue that the cost as well as the benefits should be
23 shared nationally. Such an argument conflicts with the
24 socio-economic pattern upon which this nation is based and
25 which necessitates some areas bearing the burden and costs of
26 industrialization, farming, electric power generation, coal
27 and iron production that is transported to other areas of the
28 country for their benefit.

29 A recent case in this circuit deals with plaintiff's
30 argument that the EIS should analyze costs against benefits
31 to be derived.

1 "Notwithstanding this evaluation of
2 reasonably related alternatives and the con-
3 clusion of the EIS that the project's bene-
4 fits exceed its costs, the appellants insist
5 that the EIS is inadequate because it does
6 not contain a formal and mathematically ex-
7 pressed cost-benefit analysis. We do not
8 believe such an analysis is necessary to
9 enable an EIS to serve the purposes for which
10 it is designed.

11 This conclusion rests upon the hard
12 fact that there is sufficient disagreement
13 about how environmental amenities should
14 be valued to permit any value so assigned
15 to be challenged on the grounds of its sub-
16 jectivity. It follows that in most, if not
17 all, projects the ultimate decision to pro-
18 ceed with the projects, whether made by
19 Congress or an agency, is not strictly a
20 mathematical determination. Public affairs
21 defy the control that precise quantification
22 of its issues would impose.

23 This is not to say that progress is not
24 being made in devising techniques which will
25 make cost-benefit analysis more reliable.
26 Nor is it to say that under no circumstances
27 should the EIS contain a numerically expressed
28 cost-benefit analysis. We intend merely to
29 say that under the circumstances of this
30 case the absence of such an analysis in the
31 EIS is not fatal. The EIS before us is
32 sufficiently detailed to aid the

-10-

1 decision-makers in deciding whether to pro-
 2 ceed or not and to provide the information
 3 the public needs to enable both those who
 4 would challenge, and those who would support,
 5 the project to respond effectively. No
 6 controlling authority brought to our atten-
 7 tion forecloses this determination. We would
 8 be less confident that these purposes have
 9 been achieved were it not clear from the
 10 record of this case that this project has
 11 undergone a cost-benefit analysis because
 12 of its status as a reclamation project. As
 13 it is, we consider the EIS adequate." Thom
 14 Unlimited et al v. Morton, 509 F.2d 1276,
 15 1286 (9th Cir. 1975).

16 STANDARD OF REVIEW

17 Plaintiff's entire argument is a plea for this
 18 Court to involve itself into a political policy-making
 19 question. The question whether to proceed with the ac-
 20 celeration of OCS lease sales is one for the DOI to decide
 21 after properly evaluating the impact of the project upon
 22 the environment. It is not intended that this Court serve
 23 as a critic of the EIS that is properly prepared. The
 24 Environmental Defense Fund v. Armstrong, 487 F.2d 814, 822-
 25 fn. 13 (9th Cir., 1973). Judicial power of review in an
 26 instance of this nature is within narrow confines. The
 27 Administrative Procedure Act, 5 USC §706, permits a review
 28 court to hold unlawful the action of a federal agency if
 29 its findings and conclusions are found to be--"(A) arbitrary,
 30 capricious, an abuse of discretion, or otherwise not in
 31 accordance with law; or * * * (D) without observance of pro-
 32 cedure required by law." This Court cannot substitute its

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judgment for that of the agency unless I find the action taken by DOI to be arbitrary and capricious and I do not. Citizens to Preserve Overton Park v. Volpe, 401 U.S. 402, 416 (1971).

NEPA is a procedural statute designed to make federal agencies mindful of the manner and the extent to which their decisions may have impact upon environmental factors, and guidelines are provided which must be followed by the decision-makers. If it is shown that the agency failed to follow the correct procedures, or that in presenting an EIS it offered a shallow, purposely evasive and incomprehensive report which clearly lacked good faith statutory compliance, this Court could under subsection (d) of §706 declare the action to be unlawful. Lathan v. Brinner, 506 F.2d 677, 692 (9th Cir., 1974); Trout Unlimited v. Morton, supra; Life of the Land v. Brinner, 585 F.2d 460, 469 (9th Cir., 1973).

I have reviewed the voluminous EIS's filed by DOI and find them to be comprehensive and analytical and in full compliance with §102 of NEPA. The relief prayed for by plaintiffs is denied and the action is ordered dismissed.

DATED: This 14th day of November, 1975.

David W. Williams
DAVID W. WILLIAMS
United States District Judge

2530

GROUP 15

File

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

SOUTHERN CALIFORNIA ASSOCIATION
OF GOVERNMENTS, et al.,

Plaintiffs,

v.

THOMAS S. KLEPPE, et al.,

Defendants,

WESTERN OIL & GAS ASSOCIATION,
et al.,

Intervenor-Defendants.

CIVIL ACTION 75-1942

FILED

DEC - 5 1975

JAMES F. DAVEY, Clerk

PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

THOMAS S. KLEPPE, et al.,

Defendants,

WESTERN OIL & GAS ASSOCIATION,
et al.,

Intervenor-Defendants.

CIVIL ACTION 75-1943

COUNTY OF LOS ANGELES,

Plaintiff,

v.

THOMAS S. KLEPPE, et al.,

Defendants,

WESTERN OIL & GAS ASSOCIATION,
et al.,

Intervenor-Defendants.

CIVIL ACTION 75-1962

MEMORANDUM AND ORDER

By this action plaintiffs in these consolidated
cases challenge the October 2, 1975, decision of the

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